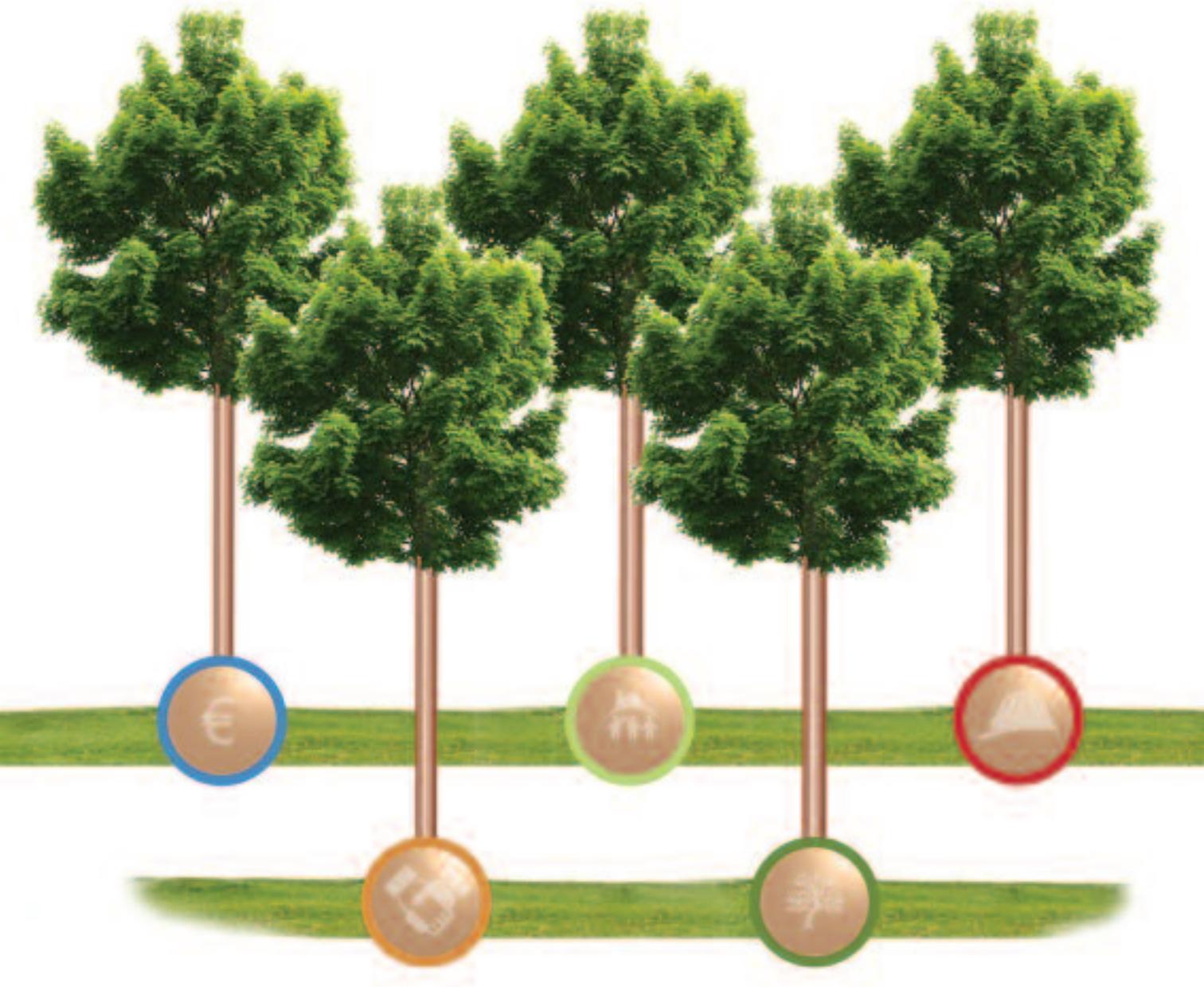


# Corporate Responsibility and Sustainable Development Report





**HALCOR**  
METAL WORKS S.A.

**CORPORATE RESPONSIBILITY AND SUSTAINABLE  
DEVELOPMENT REPORT  
2013**

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## Message from the Chairman of the Board of Directors

Our vision for Sustainable Development entails a constant effort to ensure responsible business practices and a dedicated endeavour to create added value for all stakeholders. Our goal is for HALCOR to be among the leading firms in its sector. We are striving for a target of zero accidents by constantly improving our working environment while also making sure that we minimise our environmental footprint.

We are building relationships founded on trust with our customers and associates and are always there supporting the needs of the local communities in which we operate. HALCOR is firmly dedicated to the principles of Sustainable Development, economic prosperity, environmental protection and social cohesion, and is a responsible, active business partner whose operations have a net positive effect on society as a whole.

We evaluate our success by looking at economic growth, environmental protection, how we care for our people and support the local community, and by looking at how sound our corporate government practices are for all our business activities.

Despite the adverse economic conditions both nationally and internationally in 2013, and despite the not so encouraging financial results reported by the Company, we continued to further extend our efforts at self-improvement in the Corporate Responsibility sector. It is noteworthy that even though results worsened this year, HALCOR continued its long-term capital expenditure plan, making total investments of Euro 1.3 million, generated a 'social product' of Euro 80 million, managed to increase its volume of sales of copper tubes by 3% and won higher market shares for itself in key European markets. Against a difficult business environment like that, HALCOR remained firmly committed to its principles and priorities and achieved the targets it had set for itself in the previous period.

We recognise that the Company's most important contribution to Sustainable Development occurs through its products and services. Offering top quality products and reliable solutions is a strategic choice we have made, as well as a competitive advantage and a matter of responsible business. At HALCOR we are systematically investing in research and technology, to promote innovation and generate new cutting edge products and services. Proof of the importance we place upon improving our customer services is that at the end of 2013 we began installing an innovative, new platform / lab for testing the performance of inner grooved tubes (IGT) under heat. We expect it to be completed and operational during 2014.

A key factor in the Company's business development and success has been its staff. For that reason, top priority for us is to ensure a healthy, safe working environment. We are also committed to providing training and encouraging staff development in an equal opportunities, discrimination-free workplace. During a difficult year like 2013, it is worth noting that we offered a total of 1,781 man-hours of training at a total cost of over Euro 45,000. At the same time, total health and safety expenditure in 2013 was Euro 127,000 while over the last 6-year period (2008-2013) more than Euro 1.5 million has been spent on health and safety programmes and improving HALCOR's infrastructure in this area. This sector is vitally important for us and our endeavours are continuing at a renewed pace. We are improving our health and safety performance ratings by vigorously implementing the Health and Safety System, by making investments and running programmes, and thanks to the contribution and involvement of all employees who have shown themselves to be responsible when it comes to these matters. Despite all the measures taken to eliminate all likelihood of accidents occurring, unfortunately at the start of 2013 there was a tragic incident which shocked all of us at HALCOR. The loss of a human life was a painful reminder that no preventative measures in the occupational safety sector should ever be considered enough.

We are committed to constantly reducing our environmental footprint and remain dedicated to the long-term targets we set in 2012 by focusing on actions and implementing programmes that seek to further improve the Company's performance when it comes to its key environmental issues, such as efficient energy use, water savings, proper management of raw materials and waste, and minimising emissions. To comprehensively monitor and man-

age environmental issues, from 2009 to the present day we have been implementing a certified Environmental Management System at all our production plants. Reviewing our Environmental Management performance in 2013 it is interesting to note that:

- We implemented another large capital expenditure plan for environmental protection and prevention works at a cost of over Euro 1 million.
- We reduced water consumption per ton of product by 6% compared to the previous year.
- We reduced thermal energy consumption by 10% compared to 2012.
- We significantly reduced gas emissions.
- We increased the use of recycled metal per ton of product by 3%.

Since the Company is the largest recycler of copper, zinc and their alloys in Greece, every year we strive to increase the percentage of scrap metal we recycle and use as a raw material. In 2013 scrap metal for recycling accounted for 51% of the quantity of metal we procured and this hat is an exceptionally high figure.

For us, this report has become an important tool of communication to all of HALCOR's stakeholders since it outlines our performance ratings for Corporate Responsibility priorities for 2013, our strategic priorities and the actions we have planned for the years to come. Our progress so far is something that encourages us to continue the efforts we have been making to ensure that the Company is a sustainable enterprise.

In 2014 we are stepping up our responsible corporate societal activities by focusing on supporting the Greek economy by increasing exports, by implementing coordinated measures to protect the environment and by developing and supporting our staff and the community in which we operate. We are optimistic about the future, and all the challenges it will bring as ready, to responsibly rise to those challenges.

**Theodosios Papageorgopoulos**  
**Chairman of the Board of Directors**

## The HALCOR Group

The HALCOR Group is involved in the copper, copper alloy, zinc and cables production and trading sector.

Capitalising on its size, know-how, infrastructure and experience, we utilise metals in the interests of man and man's needs.



HALCOR – tube works,  
Oinofyta, Greece



HALCOR – Foundry,  
Oinofyta, Greece



SOFIA MED,  
Sofia, Bulgaria

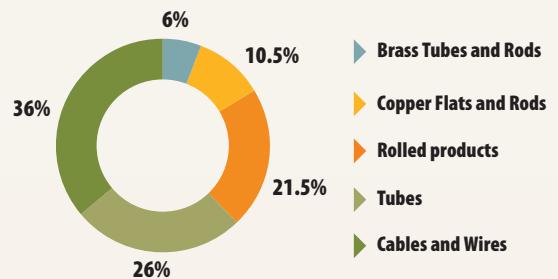


FITCO,  
Oinofyta, Greece

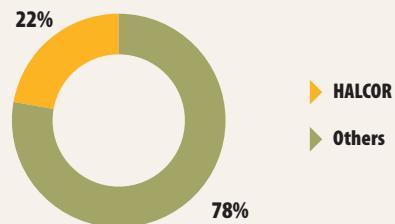
With our goal in mind, of constant innovation at national and global level, we are systematically investing in research and development, attainment of know-how and to create new, innovative products.

- 19** Subsidiaries
- 9** Production plants
- 2,440** Employees
- 205** Volume of sales (Thousands of tons)
- 985.4** Total Exports (million Euro)

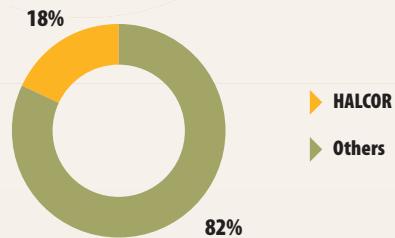
**Group Sales**



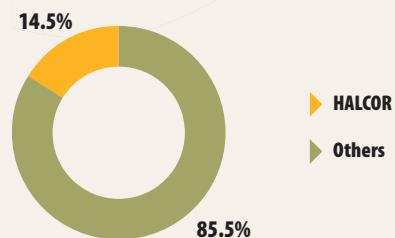
**Rolled Copper (Rolling)**



**Copper Bars**



**Copper Tubes**



HALCOR Group European Market Shares

All the above are based on the company's data and on studies carried out by international organizations related to copper.



HELLENIC CABLES, Thiva, Greece



FULGOR, Soussaki, Corinth, Greece

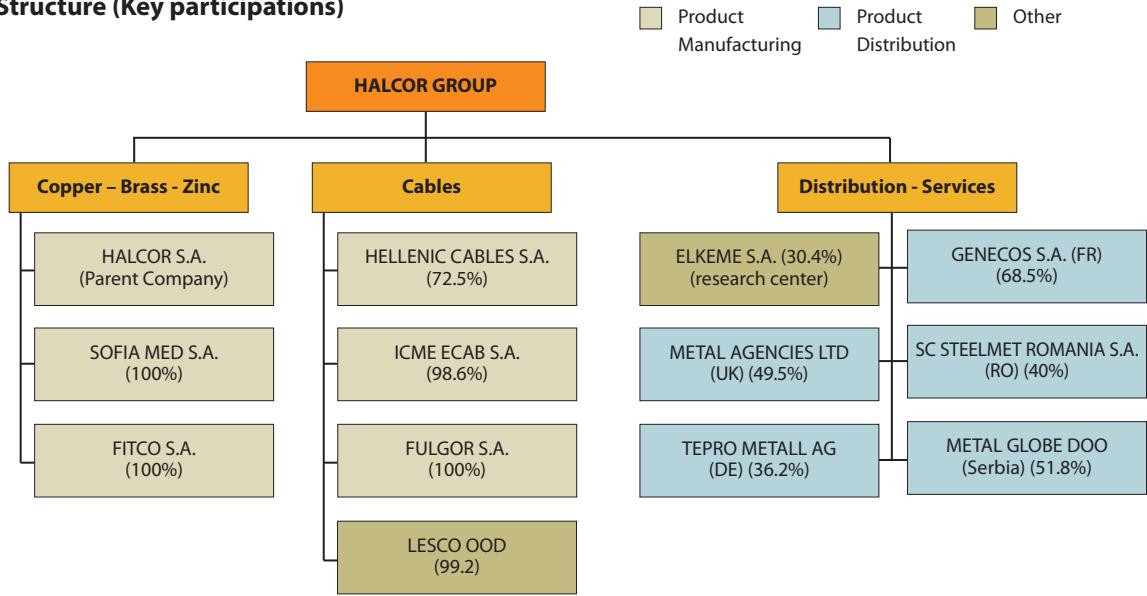


ICME ECAB, Bucharest, Romania



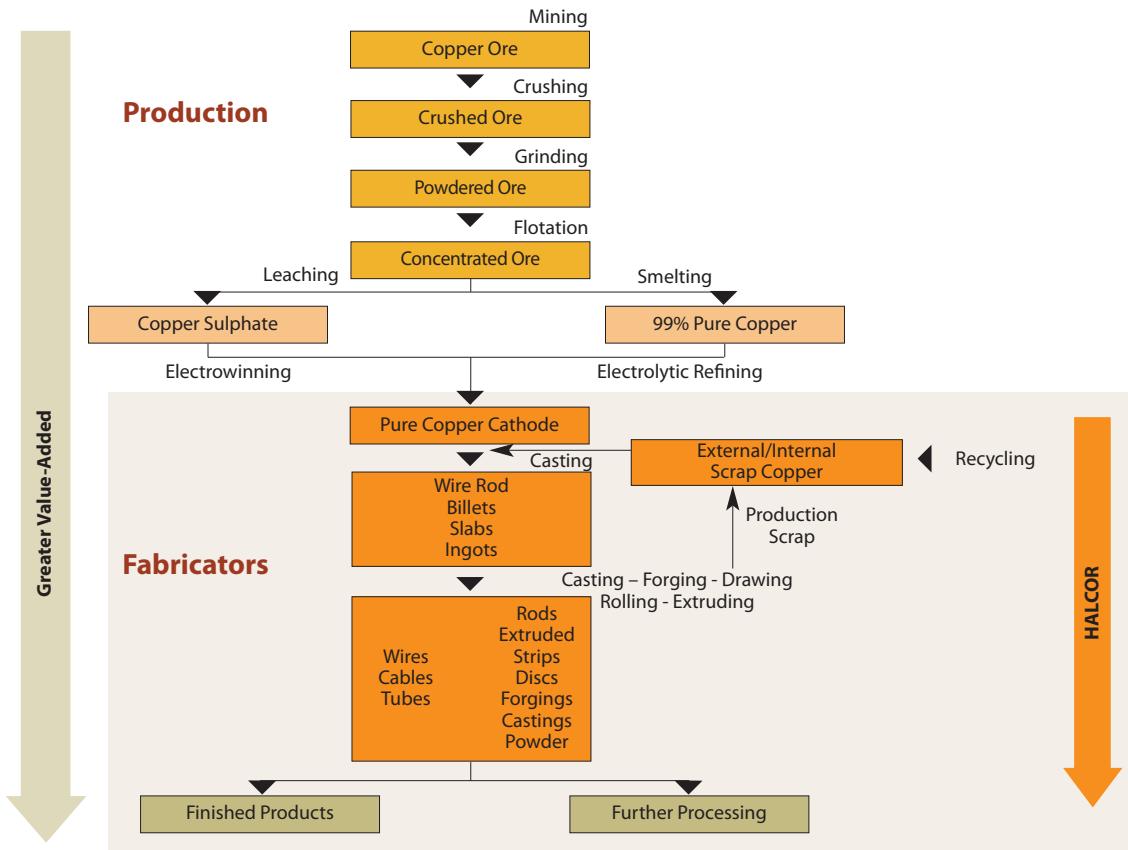
HELLENIC CABLES, Livadia, Greece

**Group Structure (Key participations)**



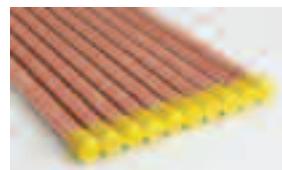
**Copper value chain**

The diagram below shows the various stages in the copper production process from mining to processing of the end product.



**HALCOR Group products**

<p>HALCOR S.A.</p>	<p><b>Manufactures</b></p> <ul style="list-style-type: none"> <li>- Copper Tubes (TALOS and CUSMART)</li> </ul> <p><b>Trades in</b></p> <ul style="list-style-type: none"> <li>- Copper and Titan Zinc Gutters (DOMA)</li> </ul>
<p>SOFIA MED S.A.</p>	<p><b>Manufactures</b></p> <ul style="list-style-type: none"> <li>- Copper Products: Sheets and strips (DOMA), disks and bars</li> <li>- Brass Products: Sheets and strips (DOMA) and disks</li> <li>- Titan Zinc Products: Sheets and strips DOMAZINC</li> <li>- Special Alloy Products: Cups and coins</li> </ul> <p><b>Trades in</b></p> <ul style="list-style-type: none"> <li>- Copper Tubes (TALOS and CUSMART)</li> </ul>
<p>HELLENIC CABLES S.A.</p>	<p><b>Manufactures</b></p> <ul style="list-style-type: none"> <li>- Power Cables, Telecommunications and Data Transmission Cables</li> <li>- Copper Enamelled Wires</li> <li>- Submarine Cables</li> <li>- Plastic and Rubber Compounds</li> <li>- Copper and Aluminium Conductors</li> </ul>
<p>FITCO S.A.</p>	<p><b>Manufactures</b></p> <ul style="list-style-type: none"> <li>- Brass products: Tubes, bars and rods</li> <li>- Brass Fish Farm Gases</li> </ul> <p><b>Trades in</b></p> <ul style="list-style-type: none"> <li>- Copper Products: Sheets and strips (DOMA), disks and bars</li> <li>- Brass Products: sheets and strips (DOMA) and disks</li> <li>- Titan Zinc Products: sheets and strips DOMAZINC</li> </ul>



## 2013 data



**414**  
employees



Euro  
**446**  
million  
revenue



Investments  
of Euro  
**1.3**  
million



**3%**  
increase in the  
volume of sales  
(for tubes)



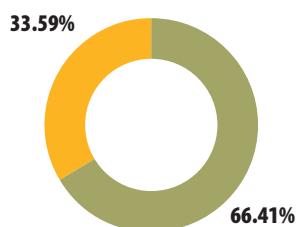
HALCOR is Greece's only copper tube manufacturer, and is involved in manufacturing a large range of copper products for use in heating, cooling, water supply and natural gas transmission networks and for a wide range of industrial applications.

The company was founded in 1976 and its registered offices are in Athens, Greece at 2-4 Mesogeion Ave., Athens Tower, Building B, GR-11527. HALCOR is a public limited company and its shares have been listed on the Athens Exchange since 1996.

More information on HALCOR's shares is available in the 2013 Financial Report, and on the Company's website, [www.halcor.gr/en/](http://www.halcor.gr/en/) (Investor Relations/Shares).



### HALCOR Shareholder Structure (31.12.2013)



▶ Other Shareholders

▶ VIOHALCO S.A.

The Company's production facilities are in Oinofyta in the prefecture of Viotia. As a result of strategic investments made over recent years in the R&D sector, HALCOR has managed to position itself as one of the leading companies in its sector worldwide, having set new standards when it comes to copper processing.

HALCOR is a company with a strong export orientation, competing on a global level with major multinational corporations.

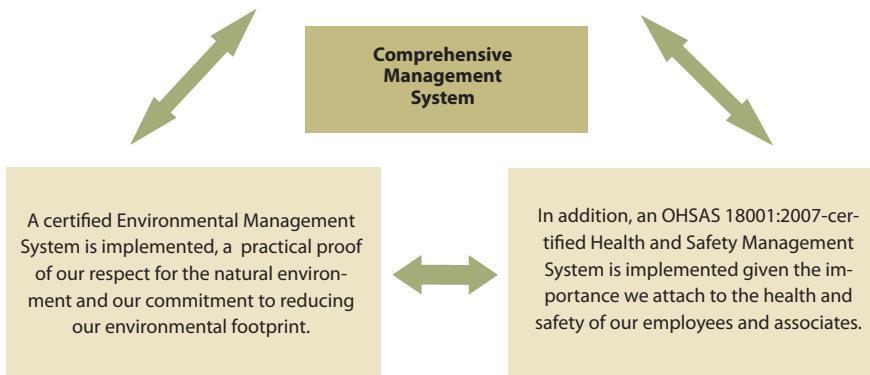
## Strategic Priorities

The Company's general strategy encompasses specific, core priorities and areas of activity such as:

- Protecting and respecting the natural environment (proper environmental management)
- Ensuring a safe, efficient working environment (occupational health and safety management)
- Expanding the range of existing products and developing new products and services
- Penetrating into new markets and increasing market shares in existing markets
- Maintaining high levels of customer satisfaction (by managing the quality of products and services).

## Management for Responsible Business

As a Company firmly focused on providing top quality products and on constantly improving ourselves and offering customer satisfaction, we implement a certified Quality Management System.



## Products

HALCOR offers an extensive range of products that save energy and respect the environment. The Company is one of the few companies in Europe that is able to manufacture ACR inner grooved copper tubes with a minimum wall thickness of 0.25 mm. The specific tubes are high-tech, highly efficient products which are extensively used in the a/c industry.

**“Seeking to ensure maximum customer satisfaction, we place particular emphasis on reliability, the speed of response to demand and the comprehensiveness of our product support services.”**

More information about HALCOR's products is available in the 2013 Annual Report (p. 13) and on the Company website [www.halcor.gr/en/](http://www.halcor.gr/en/).



### Modern production facilities:

- 2 plants (Greece)



### Foundry:

- Production capacity: 235,000 tons a year
- Manufacture of semi-finished products (bars and slabs)



### Copper tube plant:

- Production capacity: 75,000 tons a year
- Production of copper tubes for use in heating, water supply, cooling, natural gas transmission and a/c networks as well as tubes for various industrial applications.

We hold certificates for all HALCOR facilities in line with the following standards:

- ISO 9001:2008
- ISO 14001:2004
- OHSAS 18001:2007

## 1.1 Financial Performance

HALCOR's operations generate major direct and indirect benefits for society as a whole thanks to:

- Its contribution to the national economy.
- Its support for local communities and economies.
- The fact that it retains jobs.
- Improvement in the level of its staff's skills and technical and other types of knowledge.
- The value generated for shareholders and investors.
- Presenting the 'very best' of the Greek industry to international markets.

To develop its business activities the Company also makes major investments and contributes to an improvement in Greece's overall financial results due to the inflow of capital from abroad, the creation of indirect jobs, improvements in staff skill sets, its involvement in reducing the deficit of social security providers and its contribution to increase public revenues in general. These investments not only increase the Company's production base but also improve income levels for contractors and subcontractors, thereby stimulating the national economy overall.

Euro  
**80**  
million  
Our Social  
Product

Annual contribution to social development – Social Product (thousand Euro)	2011	2012	2013
Payments to suppliers (apart from those for materials and intragroup transactions)	35,386	45,620	43,776
Employee salaries and benefits (including Social security contributions)	22,147	20,118	17,671
Taxes paid	-	-	-
Payments to capital providers	15,875	16,230	17,138
Company investments	2,537	2,379	1,325
<b>Total</b>	<b>75,945</b>	<b>84,347</b>	<b>79,910</b>

In the macroeconomic environment, volatility and challenges were the key features of 2013, with the Euro Area economies reporting a further slowdown (with the exception of Germany) and Greece remaining in deep recession. Demand for our products declined since the construction sector continues to be hard hit by the recession. Despite the fact that demand for industrial products declined in key European markets, HALCOR increased the volume of sales of copper tubes by 3% and managed to achieve higher market shares for itself.

HALCOR S.A.'s Financials	2011	2012	2013
Net sales (thousand Euro)	585,705	545,522	446,045
Other operating expenses (thousand Euro)	5,177	5,275	3,626
Income from financial investments (thousand Euro)	42	258	103
Total revenue (thousand Euro)	590,924	550,755	449,335
Operating cost (thousand Euro)	(564,182)	(524,466)	(434,910)
Employee salaries and benefits (thousand Euro)	(22,147)	(20,119)	(17,671)
Payments to capital providers (thousand Euro)	(15,875)	(16,271)	(17,166)
Net losses before tax (thousand Euro)	(11,281)	(10,134)	(20,309)
Net losses net of tax (thousand Euro)	(13,728)	(11,023)	(28,487)

HALCOR S.A.'s Financials	2011	2012	2013
Net earnings per share (Euro)	(0.1355)	(0.1088)	(0.2813)
Company investments (thousand Euro)	2,537	2,379	1,325
Total capitalisation (thousand Euro)	50,639	88,315	83,454
Equity (thousand Euro)	134,497	123,157	94,769
Total liabilities (thousand Euro)	288,110	271,141	305,099
Total assets (million Euro)	422,607	394,297	399,868

Note: The use of brackets in this table indicates that the numbers are negative.

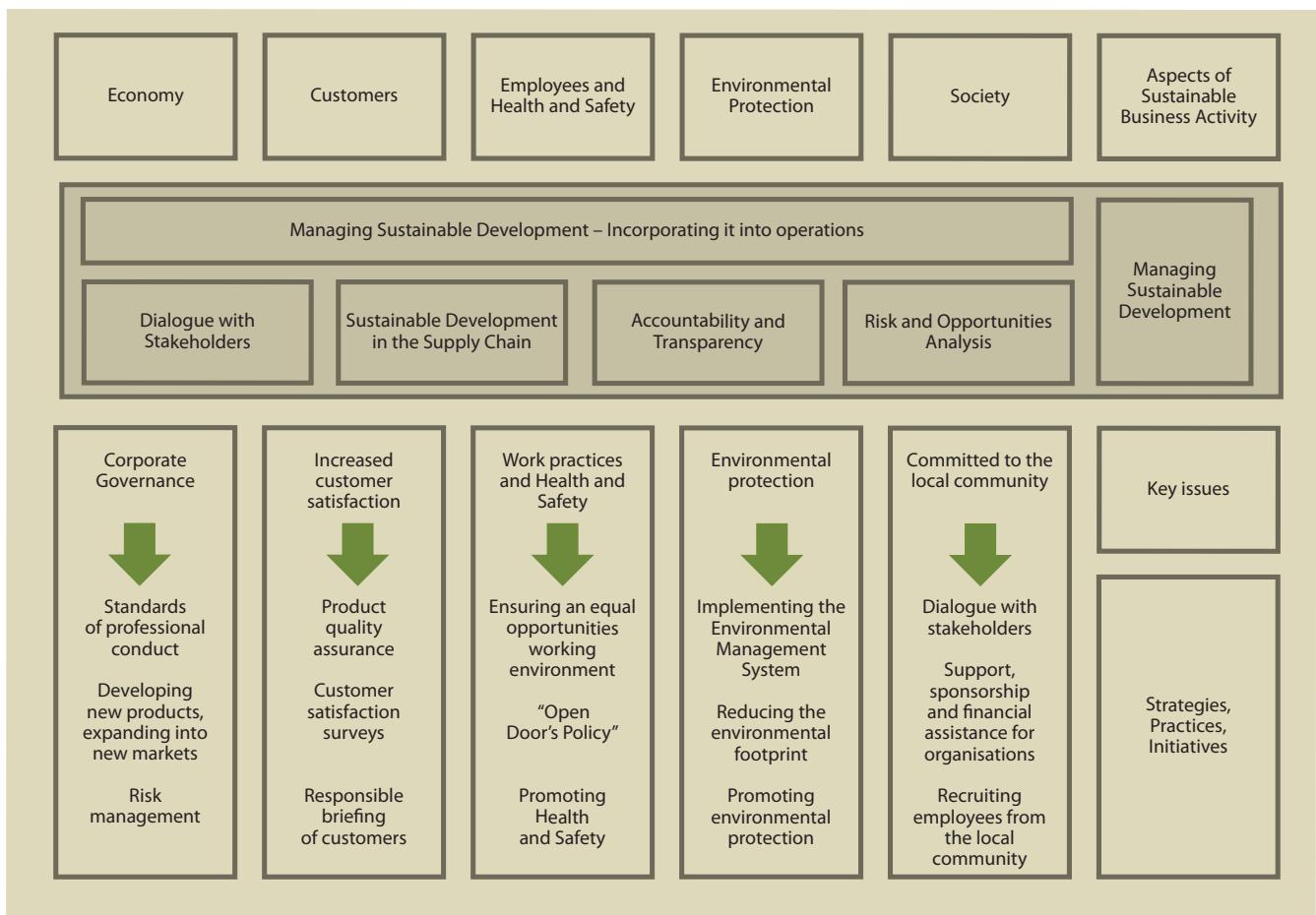
More information on HALCOR's financials is available in the 2013 Financial Report, the 2013 Annual Report and on the Company's website, [www.halcor.gr/en/](http://www.halcor.gr/en/). (Investors Relations).



## 1.2 Corporate Strategy and Sustainable Development

Corporate Responsibility is interwoven into HALCOR's philosophy, strategy and corporate values.

### Sustainable Development is an integral part of HALCOR's corporate strategy



### 1.3 Corporate Governance Structure

Proper corporate governance, compliance and transparency in all sectors are a key building block for ensuring responsible business operations. In order to bolster corporate transparency and the auditing mechanism, the Company has adopted bylaws which have been approved by the Board of Directors. All employees are obliged to apply these across the entire spectrum of Company operations

In March 2011 HALCOR adopted the Hellenic Code of Corporate Governance (for more information about the Code see the Company's 2013 Annual Financial Report, p. 19).



### Our Commitment We are focusing on key issues:

- By implementing good corporate governance practices that go beyond the requirements laid down by law, while acting with integrity and ethos at all times.
- By promoting transparency in all business activities, to ensure proper, two-way partnership with shareholders, customers, staff and all stakeholders.
- By ensuring compliance with the legislative and regulatory framework and the relevant standards.

### Corporate Responsibility Organisational Structure



Given the points above, the Company management team ensures that it has the best information available to it and checks and responsibly manages issues relating to the financial, economic and social aspects of its operations.

### The Company's main corporate governance bodies are as follows:

- General Meeting**
  - The General Meeting also serves as a means of communication between shareholders and Company Management.
- Board of Directors**
  - The Board consists of 11 members in total (5 executive, 4 non-executive and 2 independent members) as required by Law 3016/2002 as a public limited company whose shares are listed on the Athens Stock Exchange.
- Audit Committee**
  - The Committee is elected and operates in accordance with Law 3693/2008 and supports the Board of Directors in its work.
- Internal Audit Department**
  - This Department briefs the Board of Directors at regular intervals about how the Company's bylaws are being implemented.

More information about HALCOR's corporate governance and about the line-up and competences of the Board of Directors, the powers of the Chairman of the Board, BoD committees (line-up, competences, and scope) is available in the 2013 Annual Report, the 2013 Annual Financial Report (Corporate Governance Statement – Line-up and operation of the Board of Directors, Company supervisory bodies and committees, pp. 16-17) and on the Company's website ([www.halcor.gr/en/](http://www.halcor.gr/en/)).



## 1.4 Avoiding Conflict of Interests

The Company has implemented specific policies and procedures to ensure that any likelihood of the conditions for conflict of interests arising is avoided. These procedures include:

- The existence of independent and non-executive members of the Board of Directors, which ensures that factors that could lead to conflict of interests are being avoided.
- Constant supervision and briefings about the need to avoid such situations arising and to identify them in good time, if they do arise.
- Regular audits by the Internal Audit Department which cover the likelihood of any conflict of interests that breach Company policy existing in the area being audited.
- A policy that prohibits hiring a person whose spouse or first / second degree relative (by blood or by marriage) already works for HALCOR, to safeguard the principle of independence in decision-making by its executives in the various sectors in which it operates.

## 1.5 Risk and Opportunity Management

HALCOR operates in an economic and social environment which is characterised by various risks and opportunities. Against this background it has put in place and implements structures and procedures to identify, manage and protect itself against risks that could arise that it is called upon to face. The main categories of risk the Company faces are as follows:

Risk category	Risk management
<b>Industrial risk</b>	<ul style="list-style-type: none"> <li>• Implementation of strict operating and safety criteria (in full compliance with Greek and European law).</li> <li>• Preparing and implementing a detailed contingency plan (covering all possible eventualities) and working closely with the local authorities and the fire brigade to rapidly and effectively deal with potential incidents.</li> </ul>
<b>Environmental risk</b>	<ul style="list-style-type: none"> <li>• Implementing a certified Environmental Management System (in line with the requirements of the ISO 14001:2004 standard)</li> </ul>
<b>Occupational risk</b>	<ul style="list-style-type: none"> <li>• Implementing an Occupational Health and Safety System certified in line with the requirements of the OHSAS 18001:2007 standard.</li> </ul>
<b>Financial risks and uncertainties</b>	<ul style="list-style-type: none"> <li>• More information about how financial risks are managed is contained on pages 6 to 8 of HALCOR's 2013 Annual Financial Report (Annual BOD Report – section 4: Main risks and uncertainties) which is available on the Company's website, <a href="http://www.halcor.gr">www.halcor.gr</a> (Investor Relations section).</li> </ul>

*HALCOR's Board of Directors monitors and checks issues relating to the Company's Sustainable Development and the risk identification and management process.*

HALCOR takes a preventative approach in the risk management procedure it implements. In addition to entailing risks, the business sector in which HALCOR operates also presents opportunities which the Company identifies and manages.

More information about management of HALCOR's impacts and the risks the Company faces and the opportunities which arise is presented in the 2012 Corporate Responsibility and Sustainable Development Report on pp. 49-50.

### 1.6 Awards - Distinctions

The awards and distinctions the Company has received so far confirm the constant effort being made by HALCOR's staff in all sectors of company operations to ensure that it operates as a responsible company. They also oblige HALCOR to continue to operate as a responsible company that invests in modern business practices to achieve the overriding objective of Sustainable Development.



- HALCOR received an honorary distinction for its "2009 Corporate Responsibility and Sustainable Development Report" from the University of the Aegean.

2008

Honorary distinction by TUV HELLAS for HALCOR's contribution to society as a whole and to consumers.

2009

- The Company was chosen as Export Leader in the "2009 Export Turnover" category by HELEXPO and STATBANK in September 2009.
- HALCOR came 22nd in the Corporate Social Responsibility rating by Accountability Rating Greece.

2010

- The ICAP Group rated HALCOR as one of the "Strongest Companies in Greece", which includes companies with a high credit rating.

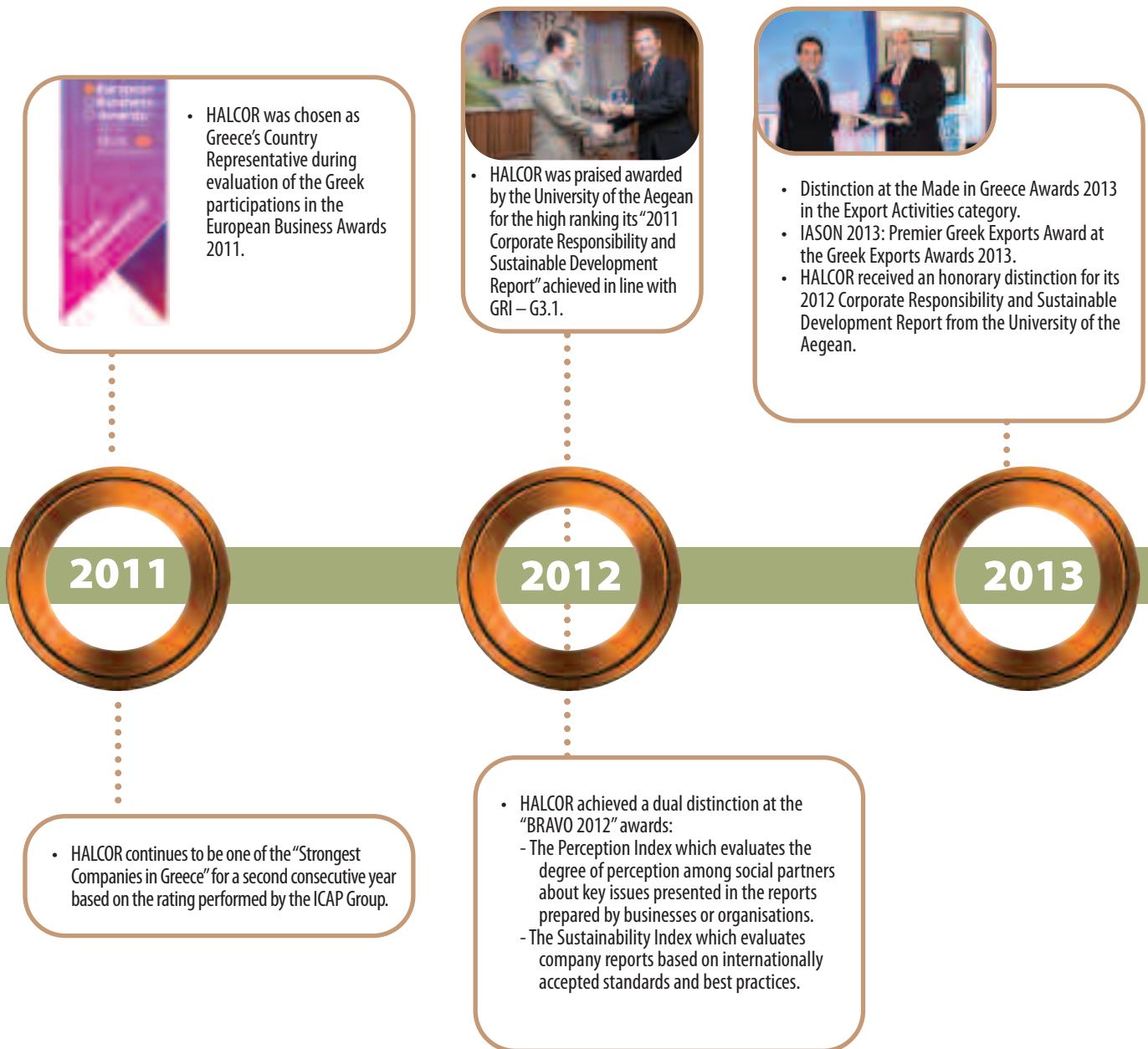


#### Distinction at the Made in Greece Awards 2013

HALCOR is constantly innovating, making investments all the time in research and development of know-how in order to offer new, innovative products. HALCOR's exports activities resulted in 93% of company revenue for 2013 coming from sales to more than 50 countries worldwide. As part of the Made in Greece Awards 2013 HALCOR received an honorary distinction in the Export Excellence category as a manufacturing firm which develops and exports innovative, value-added, quality products.

*"This distinction is confirmation of the Company's endeavours to increase exports and support the Greek economy, by offering innovative products that are chosen by leading firms and organisations worldwide because of their quality and reliability".*

**HALCOR's General Manager**



### Distinction at the Greek Export Awards 2013

HALCOR received the IASON 2013: Premier Greek Exports Award at the Greek Exports Awards 2013. The goal of the Greek Exports Awards is to showcase and reward Greek businesses whose activities contribute to increased productivity, competitiveness and employment in the Greek marketplace, while also highlighting best practices that can be utilised by Greek businesses.

*"We are particularly honoured by this prize and filled with satisfaction since it is a reward for the Company's strategic choice to improve its operations outside of Greece by developing high added-value products that have earned the trust of customers worldwide. HALCOR will continue in that vein to improve exports and to make a continuing contribution to the Greek economy".*

**HALCOR's Commercial Manager**

## 1.7 Participation in Networks and Organisations

To a large extent promoting Sustainable Development and Corporate Responsibility depends on collective organisation and cooperation with social partners, to jointly identify and promote solutions relating to important issues for the sector or issues of relevance to the country overall. Bearing that in mind, to implement its corporate strategy on Sustainable Development and to develop responsible practices, HALCOR is actively involved in a series of network, organisations and bodies.



### Hellenic Network for Corporate Social Responsibility (CSR Hellas)

CSR Hellas's mission is to promote the concept of Sustainable Development, Corporate Social Responsibility and Social Cohesion in Greece, as well as to develop communication, synergies and co-ordination mechanisms between the companies which are members of the network, for the joined implementation of programs and the exchange of good practices. HALCOR is one of the main members of this network since 2009, participating in actions, working groups and network events.



### Hellenic Federation of Enterprises (SEV)

Halcor has incorporated the SEV Principles Code concerning the Sustainable Development, while the company has been an active member of SEV since 1997. The Hellenic Federation of Enterprises mission is to contribute towards the modernization and development of Greek enterprises, creating a competitive national asset within the European and global economic competition.



### Federation of Sterea Ellada Industries (SBSE)

The Federation of Sterea Ellada Industries (SBSE) (former Viotia Industries Association – SBB) was founded in 1982 and its primary objective is to promote the needs of the industries and to ensure the creation of the appropriate means to achieve sustainable development responsibly, within a competitive business environment. SBSE aims at supporting its members by promoting entrepreneurship, competitiveness, Sustainable Development and the environmental protection of Viotia. HALCOR is a founding member of the Federation and has sat on its BoD since 1982.



### Federation of Hellenic Recycling and Energy Recovery Industries (SEVIAN)

SEVIAN's formation was completed in early 2010. HALCOR has been a member of SEVIAN since 2010 and helped in its foundation. The companies participating in SEVIAN operate in Greece and are active in waste recycling and recovery of by-products and secondary raw materials, according to regulations applied to the private sector. SEVIAN's mission is to strengthen Sustainable Development through a series of actions related to recycling and energy recovery.



### European Copper Institute (ECI)

ECI is a non-profit organization that aims to promote the responsible application and offer updates on the uses of copper. HALCOR has been a member of ECI since 1996.



### International Wrought Copper Council (IWCC)

The IWCC, which was founded in 1953, is an industrial council whose goal is to promote the copper industry and its interests (HALCOR participates as a member of the IWCC). It operates in a large number of countries in Europe, as well as in Japan, Australia, China, Iran, India, Mexico, Malaysia, South Africa, South Korea, Taiwan and USA.



### Hellenic Copper Development Institute (HCDI)

HCDI was founded in 1996 and is a non-profit organization that aims to promote the responsible application and offer updates on the uses of copper and its alloys, to specialized users and the general public. HALCOR is a founding member of the Hellenic Copper Development Institute. Together, they participate in the programs of the European Copper Institute (ECI), which is a non-profit organization and belongs to the International Copper Association (ICA). As a result, HCDI belongs to a global network of 27 copper centers, funded and supported by the global non-profit organization ICA.

The Company is also a member of the associations and chambers listed below:

- Athens Chamber of Commerce & Industry (ACCI): The chamber was founded in 1914 to protect and promote commercial and industrial enterprises.
- ATHEX Union of Listed Companies (ULC): ULC represents more than 150 companies that account for around 80% of capitalisation on the Athens Exchange (ATHEX). HALCOR has been a member of ULC since 1996.
- European Committee for Standardisation (CEN): The company participates in CEN's standard drafting committees.
- Hellenic Marine Environment Protection Association (HELMPEPA).
- Hellenic Recovery Recycling Corporation (HERRC): The corporation was founded in December 2001. In response to the provisions of Law 2939/2001, HERRC has developed the RECYCLE Collective Alternative Management System in Greece in its endeavour to discharge its obligations in an efficient, cost-effective manner.
- Hellenic Union of Industrial Consumers of Energy (UNICEN): UNICEN represents Greek industries for which energy accounts for a major proportion of their production costs and consequently a key factor in their competitiveness at international level.

Thanks to its membership of various organisations and associations, the Company actively participates in public consultations on specific draft laws and draft decisions and regulations. The Company also makes a substantive contribution to important public policy issues in the fields of recycling and waste management (primarily through its membership of SEVIAN and SEV) and the energy sector (primarily through its membership of UNICEN) that are directly related to its business activities, such as energy costs in Greece for energy-intensive industries.

HALCOR has published its views about energy costs for Greek industry, stating that they need to be reduced immediately to around the same levels applicable in other European countries. Energy costs in Greece today are around 30-40% higher than those in other European countries. There are numerous advantages to reducing energy costs such as those listed below:

- Greek industry could become the driving force of growth and development.
- Incentives for starting up old product lines and industrial units would improve.
- Competitiveness would improve and exports would increase.
- The negative climate would be reversed.
- Thousands of new jobs would be created, offering support to the social security funds, and increasing public revenues.
- An attractive climate for productive investments in Greece would be generated.

## 1.8 Key Facts about Copper

### Copper and Health

The latest scientific developments show that copper has strong antimicrobial properties. This makes copper and copper alloy products suitable and ideal for use in the healthcare, heating, water supply, ventilation and a/c sectors and in food processing. Developing new technologies and applications generates important benefits for man, especially given copper's antimicrobial properties. That is why HALCOR is actively encouraging research in this sector, and is participating in and supporting programmes being run by various research foundations.

HALCOR is a member of the Hellenic Copper Development Institute (HCDI) and collaborates with it to support scientific research into the applications of antimicrobial copper in Greece. Antimicrobial copper applications are already being used in Greece and Cyprus and up to date an innovative technique for applying antimicrobial copper to contact surfaces has been developed at the:

- Attikon General University Hospital Intensive Care Unit (ICU).



- The Peiraikos Hospital's ICU in Piraeus
- The Newborn ICU at the Agia Sofia Children's Hospital
- The Nicosia General Hospital ICU
- The Apollonio Clinic ICU in Nicosia,

and at various schools in Attica such as the Arsakeion School in Psychiko and the Tositseion School in Ekali.

New research at the University of Southampton showed that antimicrobial copper can prevent the horizontal transmission of genes that contribute to higher numbers of antibiotic-resistant infections worldwide. The new study shows that the horizontal transmission of genes can happen in the hospital environment on surfaces we regularly touch such as door handles, wheelchairs, and stainless steel tables. Using copper prevents this from happening and rapidly neutralises the bacteria involved.

**The new study presents how to limit the global spread of antibiotic-resistant infections.**

More information is available on the website [www.copperalliance.eu/gr](http://www.copperalliance.eu/gr)



### **Copper and Public Transport**

Surfaces that can be touched on public transport are the most suitable means for developing microbial bacteria. The fact that people are in a confined space and packed together makes it much easier for bacteria to be spread to the millions of users of public transport worldwide, with major impacts on public health and safety.

Research has shown that the use of Antimicrobial Copper on the surfaces people touch, such as handles and seats or other surfaces in public transport, significantly limits the spread and transmission of microbial bacteria or even viruses when public transport is used daily. The results of the research indicate that the use of Antimicrobial Copper for surfaces that the public can touch can neutralise 99.9% of harmful bacteria within two hours of exposure, thereby significantly reducing the likelihood of dangerous bacteria being transferred from those surfaces to the skin.

### **Copper and Recycling**

Recent studies report that almost 45% of all copper used in Europe comes from recycling. Recycling copper helps ensure that the constantly increasing demand for the metal (up 250% since 1960) can be met, while also reducing the environmental impacts of primary production and ensuring that copper remains available for future generations. A computer, for example, contains around 1.5 kg of copper, a normal house around 100 kg and a wind turbine 5 tons. Given that copper is completely recyclable and can be used over and over again, without losing any of its properties, one can argue that copper products are fully workable even when they reach the end of their useful life. That's why recycling copper is particularly important.

**Recycling saves energy and reduces CO<sub>2</sub> emissions**

Recycling copper is a highly effective way to bring a precious material back into the economy. Recycling needs up to 85% less energy than primary production. Worldwide, it saves 100 million MWh of electricity and 40 million tons of CO<sub>2</sub> a year.

**The Copper Flow Model**

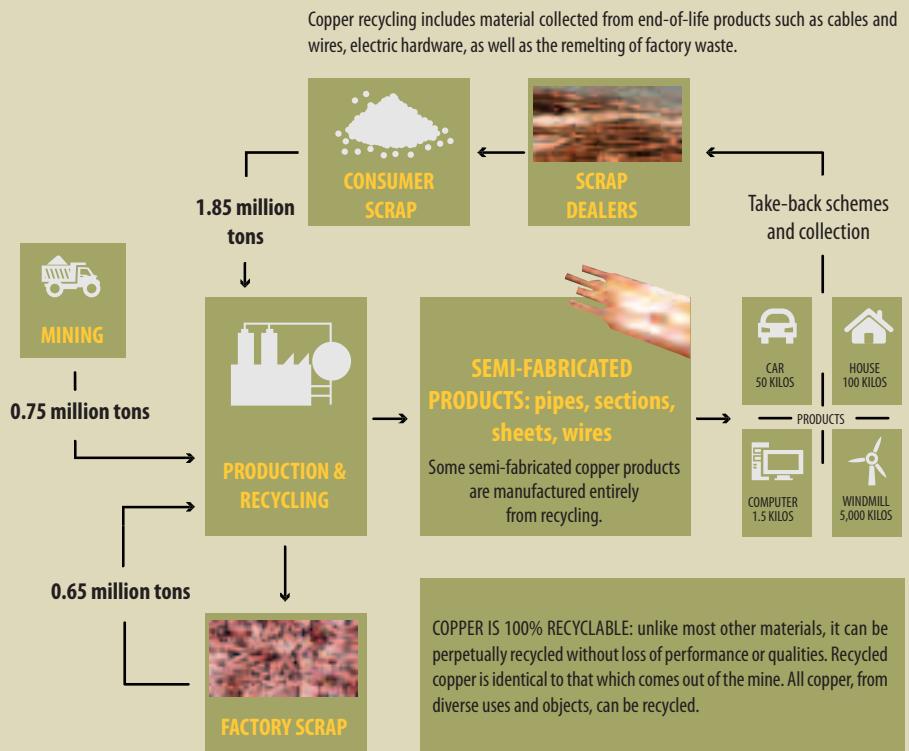
The Fraunhofer Institute has prepared a comprehensive study on copper reserves, flows and the amounts of the material being recycled. This complex, three-year study reached the best possible conclusions about how copper is being used and re-used in society. According to the International Copper Study Group (ICSG) and the report published recently, 44.8% of the copper used in Europe comes from recycling. That is not just a record figure, but a sign that the need for copper is increasingly being met by recycling the metal.

More information is available on the website [www.copperalliance.eu/gr](http://www.copperalliance.eu/gr).



**COPPER**  
THE RECYCLING CHAMPION

Approx. **3.5** million tons of copper were used in EU27, more than half of which were sourced through recycling.



### 1.9 Key facts about the Corporate Responsibility of Subsidiaries

Brief facts about the Corporate Responsibility activities of HALCOR's two main subsidiaries are set out below.

#### FITCO S.A.

FITCO, (a 100% subsidiary of HALCOR) specialises in producing copper alloys and has had a commercial presence around the world for more than 60 years. Its production plant is located in Oinofyta, Viotia, and using scrap brass in the form of bars as its raw material it uses hot or cold extrusion to manufacture a series of products such as:

- Solid and perforated brass bars (round, squared or hexagonal)
- Solid and perforated brass profiles
- Brass wire
- Brass sheets
- Brass tubes with a variety of cross-sections
- Brass fencing for fish farm cages



Plant surface area: 58,000 m<sup>2</sup>

Production capacity:  
40,000 tons a year

FITCO's products conform to the main European and US quality standards (EN, DIN, BS, NF, SITAC and ASTM).



FITCO exports 72% of its production and is constantly investing in research and know-how to generate innovative products. It is also committed to promoting technological development, protecting the environment and providing a healthy and safe working environment. To achieve this, the Company has put in place the following certified systems:

- Quality Management System (ISO 9001:2008)
- Environmental Management System (ISO 14001:2004)
- Occupational Health and Safety Management System (OHSAS 18001:2007).

For more information about the Company's profile and its products, visit its website, [www.fitco.gr](http://www.fitco.gr).



#### Customer satisfaction and product quality

As a result of its investments in research and technology, FITCO can offer a large range of high quality products. FITCO also ensures maximum customer satisfaction and has put in place communication channels to allow it to record and evaluate customer suggestions and ideas. The Company's strategy for Sustainable Development is clear from the major investments it has made in cutting-edge technology and equipment, the expansion in its product range and its quality assurance certificates.

Corporate KPI's	2012	2013
Investment plan (million Euro)	0.8	0.3
Revenue (million Euro)	53.4	50.6
EBT (million Euro)	(1.7)	(2.4)
Earnings after taxes (million Euro)	(1.3)	(2.5)
Volume of sales (tons)	14,034	15,237
Customers in Greece (number)	190	184
Customers abroad (number)	90	86

Note: Figures in brackets in the table above represent negative numbers.

### Brass fish farm cages

In partnership with scientific and research bodies, FITCO began manufacturing brass wire for fish farm cages. It has developed a partnership with the Japanese firm Mitsubishi Shindoh in this sector to manufacture wire for fish cages. The wire is made using copper UR30 alloy. UR30 wire, which has a copper content of over 60%, has all the properties of copper in that it is environmentally-friendly, highly durable, rust-resistant and 100% recyclable.

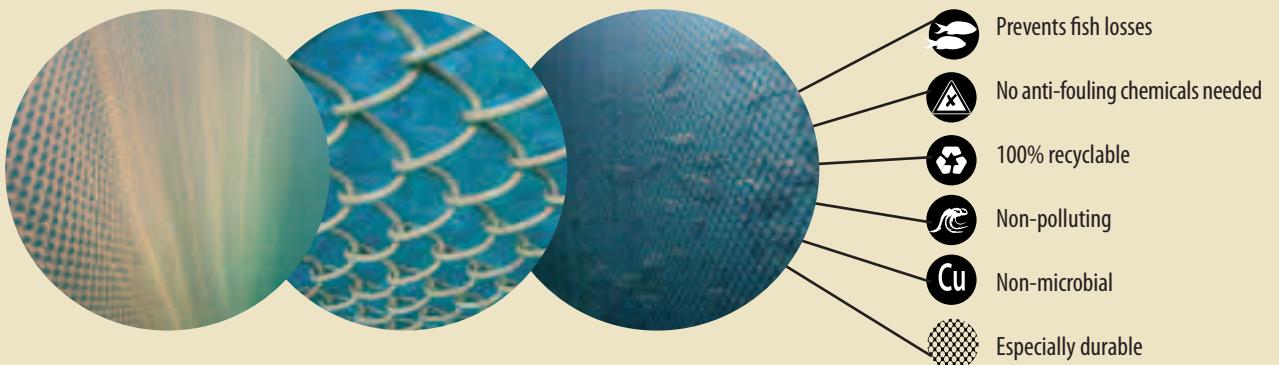


#### ENVIRONMENTAL BENEFITS OF BRASS CAGES

- Prevent** fish losses
- 100%** recyclable material
- No anti-fouling** chemicals needed
- Preserves** ecosystem balance

UR30 wire is specially designed for use at fish farms. So far it has already been used to manufacture fish cages for fish farms in the USA, South America, Australia, Asia and Japan.

Moreover, in partnership with PROTEAS, the Hellenic Centre for Marine Research, and the Hellenic Copper Development Institute, FITCO installed the first brass cage at Palero in the prefecture of Etolo-Akarnania to fully record data about the fish and the environment.



### Care for our People

FITCO recognises the major contribution of its people towards a successful performance. That is why it systematically invests in its people, placing emphasis on continuing education and growth. The Company ensures that employees are rightly rewarded for their contribution, and provides equal opportunities for advancement, while respecting diversity and internationally enshrined human rights.

Human Resources Data (31/12)	2012	2013
Men	66	68
Women	9	10
Total Workforce	75	78
Employees drawn from the local community	10	14
Departures	6	4
Recruitments	5	8
Hours of training	62	68
People trained	9	4

### Occupational Health and Safety Management

The Company's commitment in the occupational health and safety arena focuses on building a working environment free of risks, injuries, accidents and occupational diseases. FITCO's priority is to design measures to forecast and prevent accidents and its overriding, long-standing goal is to achieve the highest possible level of health and safety for its employees, associates and visitors. FITCO's performance in this sector can be demonstrated in practical terms by its certified Occupational Health and Safety Management System (OHSAS 18001:2007). In 2013 the Company continued to implement its programme to ensure continuous improvements in the health and safety sector. The actions taken included:

- Installing protective barriers around machinery to prevent access
- Carrying out blood tests on employees
- Measuring noise in production facilities and outdoors at Company facilities
- Measuring harmful agents at production plants
- Carrying out safety inspections at production plants
- Certifying bridge cranes and winches
- Installing a CO<sub>2</sub> fire-extinguishing system at substations and transformers
- Manufacturing and certifying a work platform for work at heights
- Manufacturing ladders, etc. for safer access.



Occupational Health and Safety Performance	2012	2013
Spent on Health and Safety issues (Euro)	93,000	40,000
Hours of training of Health and Safety issues	83	44
Accidents	2	2
Man-days lost due to accident	75	20
Accident Frequency Index	11.3	11.2
Accident Severity Index	424	112

### Environmental Protection

Environmental protection at FITCO is a management commitment and is achieved by comprehensively managing the environmental impact of its operations and by implementing an Environmental Management System certified in line with ISO 14001:2004 at all the Company's production plants. As practical proof of this commitment to constantly reduce its environmental footprint, FITCO monitors its environmental ratings and implements environmental management programmes and responsible environmental practices such as:

- Using an oil-solvent solution to reduce emissions
- Neutralising acid solutions at the physicochemical production plant
- Using equipment to contain potential leaks (oil and chemical leak collectors).
- Collaborating with licensed waste management firms
- Optimising production processes using Best Available Techniques (BAT) adopted by the European Union
- Constantly training staff about environmental management issues and distributing the training booklet "Guidelines for Proper Environmental Behaviour" to all employees.

Environment Performance	2012	2013
Environmental Protection Investments and Expenditure (Euro)	275,800	295,163
Electricity consumption (kWh)	3,569,799	4,136,000
Thermal energy consumption (kWh)	5,874,672	5,639,140
Water consumption (m <sup>3</sup> )	28,894	38,782
Specific CO <sub>2</sub> Emissions (kg CO <sub>2</sub> / tn products)	86.9	79.1

### Supporting the local community

The Company recognises the importance of giving something back to society, especially the local communities in which it operates. Making a contribution to and taking a responsible approach towards society as a whole has been identified as one of the key issues in FITCO's Corporate Responsibility and Sustainable Development. Despite the difficult economic situation at national and global level, in 2013 FITCO made concerted efforts to meet the needs of society and to give something back to society as a whole. The Company's most important societal action in the past year was to support architectural events held at the Benaki Museum in 2013. FITCO's employees also demonstrated their social awareness in practical terms, not only by making a contribution but also by participating in volunteer programmes organised by HALCOR to support vulnerable social groups (by collecting items for poor families in the local area) and to protect the environment (reforestation and beach cleaning activities).

### SOFIA MED S.A.

SOFIA MED produces a wide range of rolled and extruded copper, copper alloys and zinc products such as sheets, strips, plates, disks, rods, bus bars, profiles, components and wires, used in a diverse range of building and industrial applications. SOFIA MED is part of the HALCOR Group. The company facilities are located in Sofia - Bulgaria on an area covering 250,000 m<sup>2</sup>. It has three production units for casting, rolling and extrusion.

As a company that seeks to ensure high levels of customer and employee satisfaction, and a company that respects the environment, SOFIA MED implements comprehensive quality, environment and occupational Health and Safety Management Systems that meet the requirements of the ISO 9001, ISO 14001 and OHSAS 18001 standards. Its extensive range of products meet the requirements of the European Norms (EN) and the BS, DIN, ASTM, AFNOR, JIS standards, but can also be tailored to meet specific customer requirements.



For more information about the company profile and its products, please visit [www.sofiamed.bg](http://www.sofiamed.bg).



Between 2001-2013 the company implemented a major investment plan worth Euro 155 million. This included major works such as:

- New smelting and casting facilities at the foundry to produce top quality copper, brass, special alloy and zinc products
- A new rolling plant to produce wider and thinner strips and sheets
- Better equipment at the extrusion plant
- Improvements to and automation of the entire production process and quality procedures
- Energy performance projects
- Fire refining line for scrap
- Tin-plating line for bus bars.

Key Financials	2012	2013
Investments (million Euro)	6.3	6.8
Gross profit/(loss) (million Euro)	5.3	(2)
Sales revenue (million Euro)	341.3	346
EBITDA (million Euro)	9.2	2
EBIT (million Euro)	0.2	(7)
Working Capital (million Euro)	34.5	53
Debt / Equity	1.32	1.05
Customers (number)	388	423

Note: The use of brackets in this table indicates that the numbers are negative.

The Company's business development is based on transparency in all its activities, emphasizing employee Health and Safety and the continuous improvement of its environmental footprint. Sofia Med implements a series of actions and programs in all the company's Corporate Responsibility sectors, such as:

- protection of the environment and continuous improvement of its environmental impact.
- continuous improvement of the working conditions and creation of a safe and efficient working environment (Management of Occupational Health and Safety).
- maintaining customers' satisfaction at high levels and managing product and services quality.
- advancing and developing employees and providing equal opportunities at the workplace.
- investment in technology that will allow not only an increasing use of recycled materials, but further reduction of direct emissions as well.

### **Enhanced Customer Service**

Customer satisfaction is a top priority for SOFIA MED which has a comprehensive Quality Management System. Systematically implementing it, the company can guarantee the very high quality standards are met and the specific customer requirements are achieved. Implementation of the company ISO 9001:2008-compliant Quality Management System is based on its Quality Policy. The company business is the manufacturing of copper, copper alloys and zinc products. The Quality Policy states the following objectives:

- Continuous improvement in the level of customer satisfaction
- High quality products to meet customer requirements and remain highly effective
- Maintaining the company reputation for quality, customer service and reliability, as further improving it
- Constantly adapting to new market needs
- Collaborating with customers to develop tailor-made products and solutions that match their needs.

In its efforts to improve its customer experience and speed up the development of new applications, SOFIA MED created the Product and Process Department. The department will focus on the improvement on existing processes and products, as well as on creating new ones. It will also help customers get individual technical support, while focusing on their specific needs.

### ***Development of High Performance alloys***

SOFIA MED aims at the development of production capabilities in the area of two high performance alloy groups:

- Copper Nickel Silicon alloys – CuNiSi alloys, which are utilized almost exclusively in the automotive industrial sector for the construction of electrical connectors
- Copper Iron alloys – CuFe alloys, which are used both in the automotive industry for electrical connectors, as well in the sector of electronics for the manufacture of lead frames.

### ***Downstream operation of the components***

In 2013 SOFIA MED added to its portfolio the production of copper components. Due to the specific requirements of every customer, SOFIA MED provides individual technical support and know-how, as well as tailor-made solutions for the copper components. The company made significant investments in state-of-the-art machinery and production lines for drawing, punching, bending, CNC-machining and plaiting. The precise final quality inspecting guarantees their high quality.

### ***Preweathered Titan Zinc***

Another product focus has been added to the company portfolio with the introduction of the preweathered Titan Zinc.

This material varies in its colour tints, ensuring building solutions that can perfectly match to the customers' local preferences, to every extravagant architectural idea, as well as to any exquisite building construction design.



### Employees

The Company invests in its people and offers training and career opportunities to all employees equally. SOFIA MED also ensures that it offers a rewarding working environment, respecting human rights, diversity and equal opportunities for all employees. Every year the company involves the employees and their families in a series of social events and educational campaigns. Some of these are:

- May – The Month of Health, Safety and Environment
- Open Doors Day - annual event for the employees and their families including a tour around the production facilities
- Annual summer children's camp
- Annual children's Christmas party
- Annual medical check for all employees.

Employees Data (31/12)	2012	2013
Men	443	476
Women	105	109
Total Workforce	548	585
Exits	64	68
Hires	91	122
Training hours per employee	11	8

SOFIA MED also offers its employees additional healthcare insurance as part of its social policy, as well as a medical center, located on the territory of the company.

### Occupational Health and Safety

The continuous improvement in occupational Health and Safety conditions is a major focus for the company management. The company commitment in this regard is clearly stated in its Health and Safety Policy. To achieve this, the company implements a BS OHSAS 18001:2007-certified Health and Safety Management System. For SOFIA MED occupational Health and Safety is a priority of outstanding importance, and a guiding factor in its operations and in the decisions it takes when investing in new technologies and in growth and development in general.



Occupational Health and Safety Performance	2012	2013
Investments for health and safety (million Euro)	0.5	0.5
Training hours for health and safety	371*	4,536**
Training hours per employee	4.2	7.6
Accidents	10	6
Lost time accidents frequency rate	8.3	4.6
Incident severity rate	264	195
Lost days	318	256

\* It refers to total training hours

\*\* It refers to man-hours training

### Environment

The environmental protection is a high priority of the company management which means that it has a primary importance among the industrial and other public needs and cannot be a subject of compromises. SOFIA MED has an Environmental Management System, certified according to the international standard ISO 14001:2004. In the recent years, a number of investments in various technologies have allowed the company to increase further the use of recycled materials.

Environmental Performance	2012	2013
Investments (million Euro)	0.5	0.4
Energy consumption (MWh)	53,285	56,008
Water consumption (m <sup>3</sup> )	655,563	652,151
CO <sub>2</sub> Emissions (Kg CO <sub>2</sub> per 1tn product)	225	223

Management's strategic objective is to reduce SOFIA MED's environmental footprint, increase the environmentally-friendly initiatives and actions implemented by the company, and to expand environmental awareness among employees.

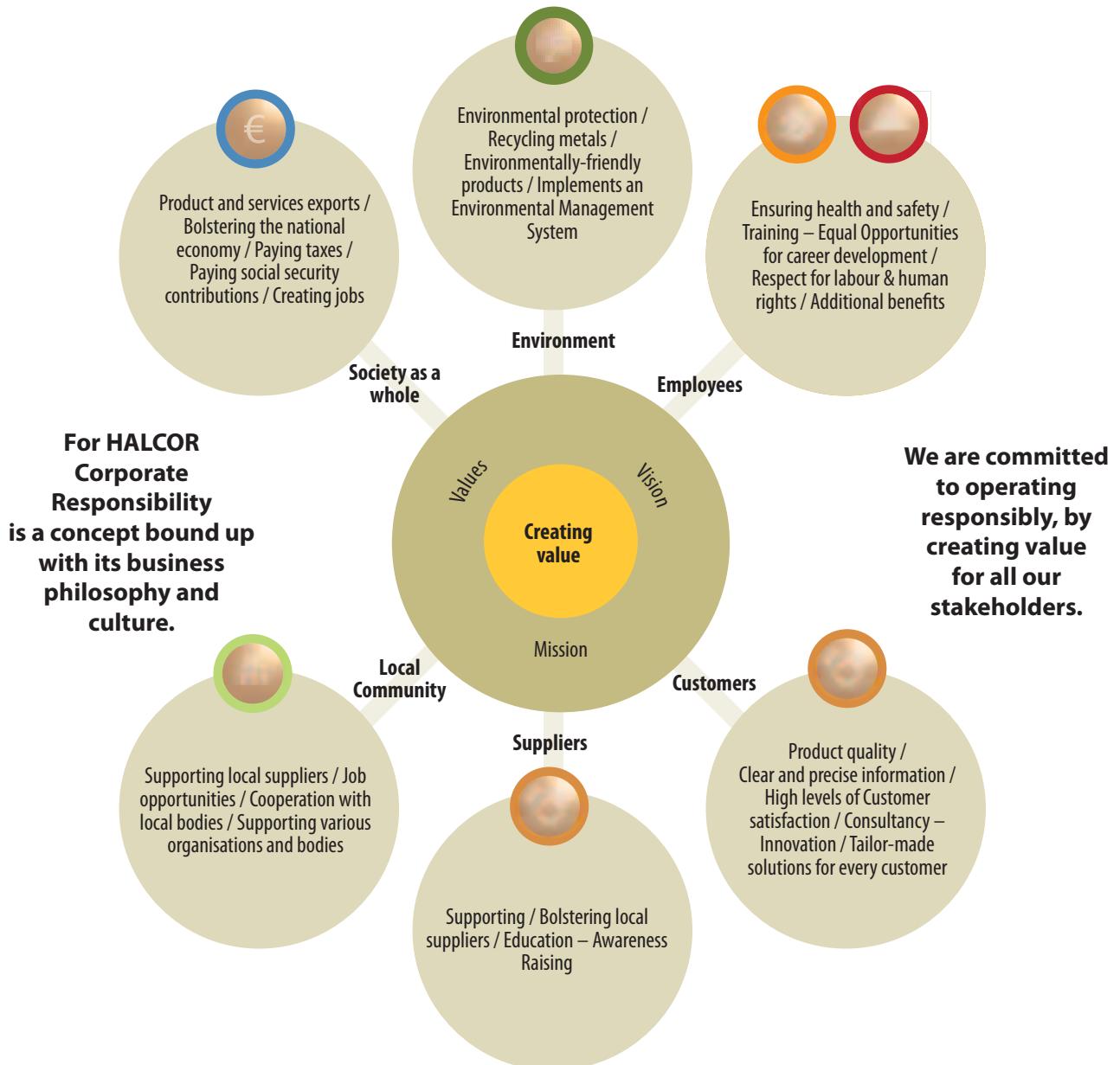
### Society

As a responsible company SOFIA MED seeks to be there for the local communities in which it operates and to communicate with all stakeholders. The company supports local communities, building a spirit of cooperation with local bodies and attempts to meet different needs that arise by providing sponsorship and support for social programs. It also collaborates with various public sector bodies, technical schools and universities and provides vocational training to university students and graduates.



## 2. Creating Value

As a responsible business, HALCOR creates value for its people, customers, suppliers, the local community, and society as a whole, and also ensures that it minimises its environmental footprint. HALCOR is firmly dedicated to the principles of Sustainable Development (economic prosperity, environmental protection and social cohesion) and is a responsible, active business partner whose operations have a net positive effect on society as a whole.



HALCOR has put in place a specific Corporate Responsibility & Sustainable Development Policy under which Company Management has committed itself to:

- strict compliance to the legislation in force and full implementation of standards, policies, internal guidelines and procedures applied by the Company as well as other commitments, arising from voluntary agreements, countersigned and accepted by HALCOR
- two-way and on-going communication with all stakeholders in order to identify and record their needs and expectations. Development of mutual trust relations with the stakeholders makes a significant contribution to meeting the Sustainable Development objectives.
- providing safe and healthy working environment for our people, collaborators and any third party involved.

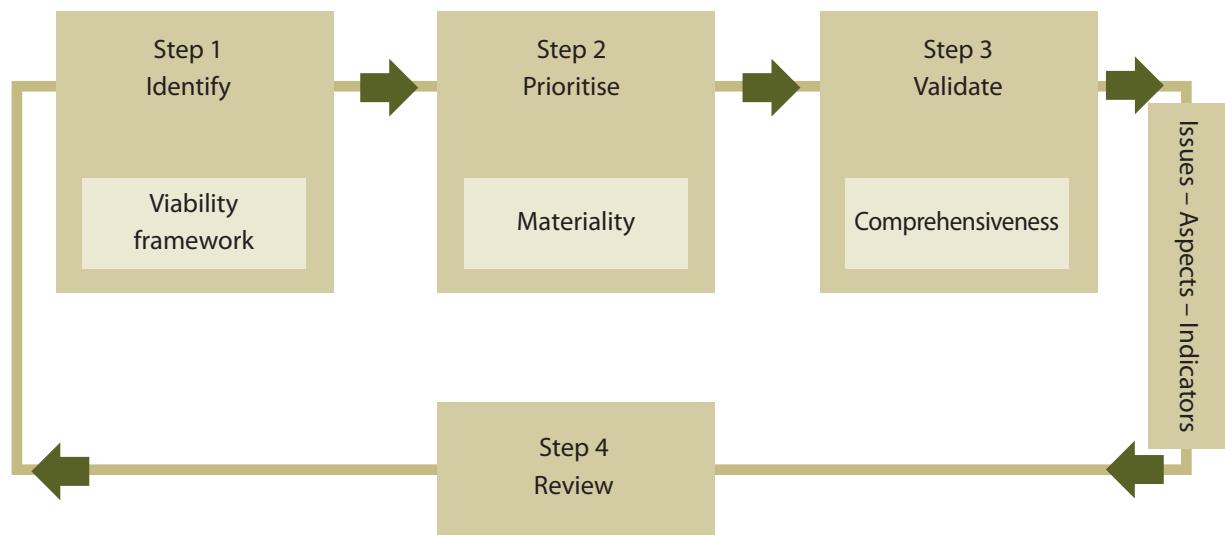
- protection of human rights and provision of a work environment of equal opportunities, free from any discrimination.
- open communication, based on transparency, with all the Company's stakeholders.
- continuing efforts to reduce the environmental footprint, though implementing responsible actions and preventive measures in accordance with Best Available Techniques, in order to reduce and minimize the impact of the Company's operations on the environment.
- continual pursuit of creating added value for the stakeholders.

The full text of the Company's Corporate Social Responsibility Policy can be found on the website [www.halcors.gr/en](http://www.halcors.gr/en)



## 2.1 Materiality Analysis

To identify and prioritise the most important Corporate Responsibility issues related to its operations, HALCOR uses a specific materiality analysis procedure to identify key Corporate Social Responsibility and Sustainable Development issues.



In the procedure implemented, the key criterion for prioritising important issues was the fact that the opinion of Company stakeholders was obtained and taken into consideration, coupled with the degree of risk associated with each issue. To precisely capture the views of stakeholders about key issues and their priority, in early 2014 HALCOR held a 'materiality workshop' for stakeholders as part of the BRAVO event. The methodology and procedure used in that workshop are summarised below. The process of prioritising key issues is repeated each year to capture any changes and to incorporate any new trends (details about the procedure the Company follows are contained in the 2012 Corporate Responsibility and Sustainable Development Report, p. 40-41).



## 2. Creating Value

The diagram below shows how the most important issues for HALCOR were prioritised in the process which was used.



The following issues emerged from the materiality analysis carried out by HALCOR as the most important issues for each aspect of its CSR policy:

No.	CSR ASPECT	MATERIAL/IMPORTANT ISSUES
1	<b>Corporate Governance</b> 	4 HALCOR's organisational chart
		14 Fair and ethical corporate governance and transparency practices
		16 Preventing corruption
		17 Legal and regulatory compliance
		19 Personal data protection
		29 CSR in the Company's organisational chart
2	<b>Human Resources</b> 	1 Employee and third party health and safety
		2 Accident prevention
		15 Readiness and emergency response
		20 Respect for / protection of human rights and prevention of child labour
		23 Job retention
		24 Employee training
3	<b>Environment</b> 	3 Proper waste management
		7 Proper water management
		8 Proper energy management
		9 Proper management of raw materials – supplier of recycled materials and scrap
		11 Addressing climate change and management of atmospheric pollutants
		13 Product environmental footprint
4	<b>Marketplace</b> 	26 Promoting recycling
		5 Maintaining high levels of customer satisfaction
		6 Product and service quality
		10 Responsible Procurement
		18 New product development
		12 New markets and investments
5	<b>Society</b> 	22 Expanding exports
		30 Training third parties of CSR issues (customers / associates)
		21 Dialogue with local communities
		25 Recruiting employees from the local community
		27 Actions to support the local community and evaluate the impact of actions
		28 Cooperation with NGOs and support for them

HALCOR utilises the results of prioritising key Corporate Responsibility and Sustainable Development issues to plan its actions and set targets to achieve continuous improvements.





## 2.2 International Standards and Initiatives

### International Standard ISO 26000 for Social Responsibility

The ISO 26000:2010 standard is considered to be the most comprehensive standard / set of guidelines on Corporate Responsibility issues (but no certificate can be obtained for it). It is an important, key tool because it clearly guides businesses on how to evaluate and constantly improve all actions and impacts (at an economic, social and environmental level) and how to brief all stakeholders.



#### Environment

The Company is committed to fully complying with the applicable legislation and its commitment to environmental protection is demonstrated in practical terms by its certified Environmental Management System. HALCOR is making continuous efforts to reduce the Company's environmental footprint which is achieved through investment projects and schemes the Company implements every year. The Company's long-standing goal is to use raw direct and ancillary materials which are as efficient as possible. In this regard, it's worth noting that HALCOR is the largest recycler of copper and its alloys in Greece.



#### Corporate Governance

Transparency in all our business activities, constitutes a non-negotiable principle for HALCOR's management team. The Company operates:

- transparently in all of its business activities, to ensure proper, two-way partnerships with its shareholders, customers, staff and all stakeholders.
- by ensuring compliance with the legislative and regulatory framework and the relevant standards.
- by implementing practices that go beyond the requirements laid down by the law, while acting with integrity and ethos at all times.



#### Consumer Issues

HALCOR implements a certified Quality Management System and its products meet top specifications and have suitable certification. The Company regularly communicates with customers to identify and record any complaints they may have and take appropriate corrective and preventative steps. In addition, HALCOR complies in full with all requirements as regards the information it must provide on its products and services. As in previous years, during 2013 there were no incidences of non-compliance with legislation and regulations related to the advertising and marketing of products, the information given to customers by the Company and the labelling that must accompany its products. The Company also safeguards the health and safety of consumers and there were no incidences of customer privacy being infringed.



#### Human Rights

HALCOR is firmly committed to respecting human rights and ensuring compliance with fundamental freedoms and human rights, as outlined in the principles enshrined in the HALCOR Code of Conduct.

For HALCOR, Corporate Responsibility is a way of being, and a means for achieving Sustainable Development. The Company has incorporated the principles of Corporate Responsibility espoused in the ISO 26000 standards in its business philosophy and seeks to operate within a specific ethical framework, in cooperation with the wider community which it operates in. At the same time, HALCOR also aims for its business operations to generate value for all stakeholders it cooperates and interacts with.



### Employment Practices

HALCOR recognises and fully respects the labour rights of its staff. It provides an equal opportunities, rewarding working environment free of discrimination. At the same time, protecting employee health and safety is a top priority for HALCOR and for that reason it implements an OHSAS 18001:2007-certified Occupational Health and Safety Management System.



### Fair Operating Practices

The principles of prudent management and corporate responsibility have been integrated into all of HALCOR's activities. For HALCOR, responsibility in its operations is a strategic choice. Although the risk for incidences of corruption is low, the Company has taken all the necessary measures to control and identify potential occurrences. To date there have been no incidences of corruption within the Company. HALCOR fully respects the right of ownership (proprietary or intellectual rights) and strives to promote social responsibility.



### Cooperation with Local Communities

Recognising the importance of making a societal contribution, especially in the local community in which the Company operates, HALCOR supports:

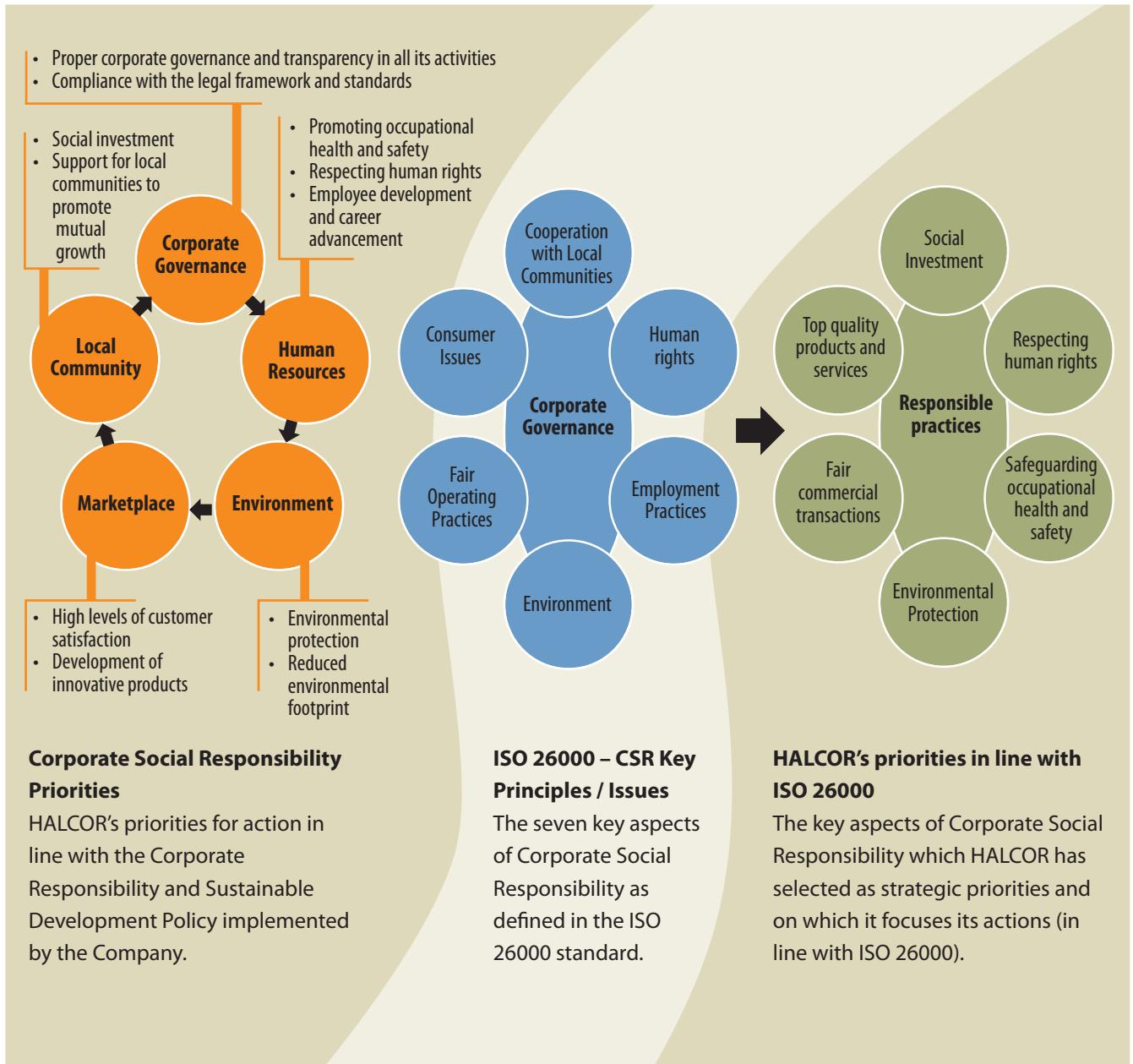
- local entrepreneurialism by selecting suppliers from the local community wherever that is feasible.
- employment, by having a large part of its staff from the local community.

In addition, each year HALCOR supports a series of bodies, organisations and associations confirming its social awareness.

*HALCOR's performance in relation to each principle and section of the ISO 26000 standard is presented in the GRI table at the end of this Report by matching the GRI indicators to the sections of the ISO 26000 standard.*



**Application of ISO 26000 to HALCOR**



**2.3 The Global Compact**

The Company supports the UN Global Compact, the largest international voluntary Corporate Social Responsibility initiative in the world and follows the 10 global principles in the fields of human rights, employment practices, the environment and combating corruption. HALCOR has incorporated these 10 principles into its policies, procedures and systems.

**Supporting the Global Compact principles**

- Implement an ISO 14001:2004–certified Environmental Management System
- Take actions and measures to reduce our environmental footprint.
- Invest in new infrastructure and environmental protection and prevention technologies.
- Ensure we do the least possible harm to the natural environment.
- Adhere to the principle of prevention in managing environmental issues.
- Promote recycling.

**No environmental fines were imposed**

**Environment**  
(Principles 7,8,9)

- Act with integrity, respect and transparency in all our business activities.
- The Company is opposed to all forms of corruption and is committed to operating ethically and responsibly.
- Provide training to our executives about transparency and corruption in order to prevent and avoid such phenomena.
- Implement in-house procedures to ensure that cases of corruption are combated.
- Adopt mechanisms to promote transparent, responsible business conduct.

**No cases of corruption were recorded**

**Anti-corruption**  
(Principles 10)

- Implement an equal opportunities, no discrimination policy.
- All the Company's employees are over the age of 18.
- The Company is utterly opposed to child, forced or mandatory labour.
- Carry out checks on subcontractors to prevent child labour.
- In 2013, as in previous years, there were no incidences of discrimination in recruitment and employment within the Company.

**No cases of discrimination were recorded**

**Employment conditions**  
(Principles 3,4,5,6)

**Human rights**  
(Principles 1,2)

- Fully respecting internationally agreed human rights, we ensure that they are fully safeguarded in the context of our business activities.
- Adhere to policies that promote human rights.
- Gradually provide training about human rights to all company staff.
- All of HALCOR's security staff has attended a special training seminar about human rights.

**No incidences of human rights violations were recorded**



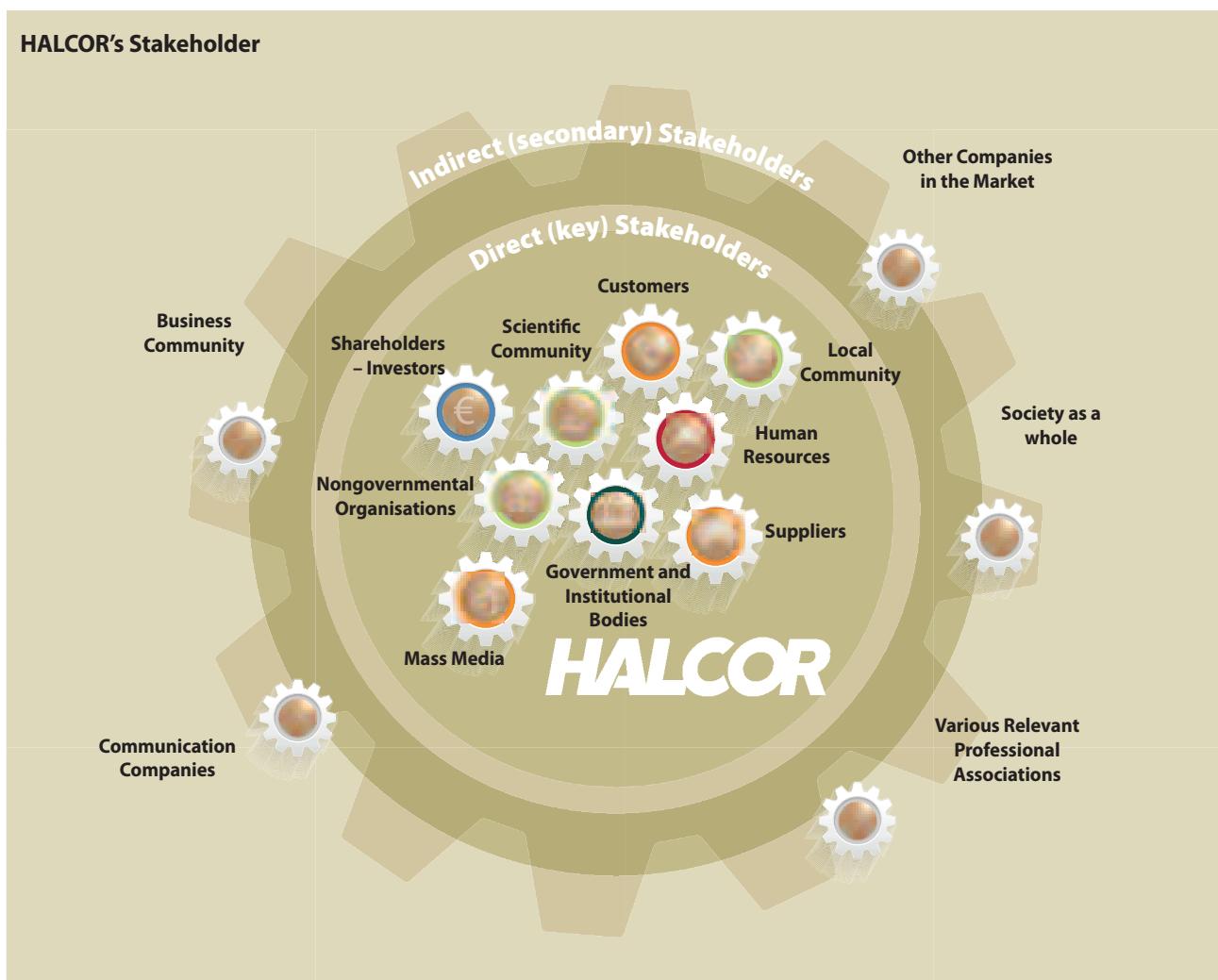
HALCOR S.A.'s Corporate Responsibility Team

Category	The Global Compact's 10 Principles	GRI indicators	CSR Report Section
	<p><b>Human Rights</b></p> <p><b>Principle 1:</b> Businesses should support and respect the protection of internationally proclaimed human rights.</p> <p><b>Principle 2:</b> Businesses should make sure that they are not complicit in human rights abuses.</p>	<p>EC5, LA4, LA6-9, LA13, LA14, HR1-11, S05, PR1, PR2, PR8</p> <p>HR1-11, S05</p>	Care for our People
	<p><b>Labour Conditions</b></p> <p><b>Principle 3:</b> Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.</p> <p><b>Principle 4:</b> Businesses should uphold the elimination of all forms of forced and compulsory labour.</p> <p><b>Principle 5:</b> Businesses should uphold the effective abolition of child labour.</p> <p><b>Principle 6:</b> Businesses should uphold the elimination of discrimination in respect of employment and recruitment.</p>	<p>LA4, LA5, HR1-3, HR5, S05</p> <p>HR1-3, HR7, S05</p> <p>HR1-3, HR6, S05</p> <p>EC7, LA2, LA13, LA14-15, HR1-4, S05</p>	Care for our People
	<p><b>Environment</b></p> <p><b>Principle 7:</b> Businesses should support a precautionary approach to environmental challenges.</p> <p><b>Principle 8:</b> Businesses should undertake initiatives to promote greater environmental responsibility.</p> <p><b>Principle 9:</b> Businesses should encourage the development and diffusion of environmentally friendly technologies.</p>	<p>EC2, EN18, EN26, EN30, S05</p> <p>EN1-30, S05, PR3, PR4</p> <p>EN2, EN5-7, EN10, EN18, EN26, EN27, EN30, S05</p>	Environment
	<p><b>Anti-corruption</b></p> <p><b>Principle 10:</b> Businesses should work against corruption in all its forms, including extortion and bribery.</p>	S02-6	Presentation of HALCOR S.A.

### 3. Stakeholder Engagement

For HALCOR it is particularly important to communicate and collaborate with stakeholders. Dialogue with stakeholders and exchanging views with them is a key issue and a condition for strategically managing the Company's Sustainable Development issues.

HALCOR recognises the importance of engaging in dialogue with its various stakeholder groups (comprised of natural persons and legal entities that affect or are affected directly or indirectly by how the Company operates). To identify the Company's stakeholder groups, a specific internal procedure was followed (consultation between members of the Corporate Social Responsibility team and prioritisation of stakeholders). Using the stakeholder identification procedure, the Company's main stakeholder groups who were identified are as follows:



### 3.1 Relationship-Interaction Framework with Direct - Key Stakeholders



#### SHAREHOLDERS - INVESTORS

- They invest capital in HALCOR
- They receive dividends from its profits
- They participate in the decision-making process



#### CUSTOMERS

- They select HALCOR for its products and services
- Cooperation for the development of new customized solutions.



#### HUMAN RESOURCES

- They provide their labour and expertise
- They are rewarded with salaries, benefits and opportunities for professional and personal development



#### SUPPLIERS

- They provide their services / products to HALCOR and receive remuneration
- They are assured of impartial/merit-based evaluation and selection
- The company supports local suppliers thereby bolstering local communities



#### LOCAL COMMUNITY

- HALCOR supports local communities by selecting its human resources and suppliers locally
- The Company participates in the Federation of Sterea Ellada Industries (SBSE)
- The Company participates in measures organised by local government agencies
- HALCOR supports the local community via sponsorship and a range of activities



#### NGO's (Not-for-Profit Organisations)

- They represent civic society
- They actively participate in shaping public opinion
- They connect society, government and business
- HALCOR works with NGOs to raise public awareness and take action



#### GOVERNMENT AND INSTITUTIONAL BODIES

- They define the institutional and regulatory framework of the Company's business operation through legislation and regulations
- They regulate matters relating to business and taxation Scientific Community



#### SCIENTIFIC COMMUNITY

- HALCOR supports the research being done at universities
- HALCOR participates in research programmes



#### MASS MEDIA

- They key the public and society in general briefed
- Corporate and product advertising

### 3. Stakeholder Engagement

Communicating with stakeholders means that the Company can identify the key issues of concern to each group. HALCOR records those issues and plans how it will act in order to ensure an optimal response and to achieve continuing improvements in those specific sectors. The table below presents the key issues of concern to stakeholders based on Company contacts with them and HALCOR's response / actions.

Stakeholders	HALCOR's commitment	Channels of Communication	Stakeholder expectations	HALCOR's response
Human Resources 	<b>A safe working environment</b> <b>Employee development and career advancement</b>	<ul style="list-style-type: none"> <li>Ongoing communication between Management and staff</li> <li>Communication and briefings using the Company's intranet</li> <li>Briefings via email and info sheets on notice boards</li> <li>Information on the Company's website</li> </ul>	<ul style="list-style-type: none"> <li>Employment and insurance issues</li> <li>Staff appraisal issues</li> <li>Staff development and career advancement</li> <li>Briefings about Company goals and the rate of achieving them</li> <li>Communication with Management</li> </ul>	<ul style="list-style-type: none"> <li>Staff evaluation systems were put in place</li> <li>Training courses were held</li> <li>Additional benefits provided to all employees</li> <li>The general manager provides monthly briefings to all staff</li> <li>An "Open Door" policy was put in place to ensure constant dialogue between employees and Company Management</li> </ul>
Shareholders – Investors 	<b>Proper corporate governance and transparency in all its activities</b> <b>Compliance with the legal framework and standards</b>	<ul style="list-style-type: none"> <li>Annual General Meeting of Shareholders</li> <li>Investor Relations Department</li> <li>Briefings from the Board of Directors to shareholders about all company developments</li> <li>Regular press releases, announcements and reports are published</li> <li>Q1, Q2, Q3 and annual results are presented to the Board of Directors</li> <li>Constant communication between Company executives and financial analysts and investors</li> <li>Investor relations officer</li> <li>Shareholder Relations Officer</li> <li>Presentation at Association of Institutional Investors</li> <li>Annual Financial Report</li> <li>Annual Corporate Responsibility &amp; Sustainable Development Report</li> </ul>	<ul style="list-style-type: none"> <li>Supporting Company competitiveness</li> <li>Company profitability</li> <li>Keeping operating costs down</li> <li>Transparent relations with stakeholders</li> <li>Proper corporate governance</li> <li>Regulatory compliance</li> <li>Avoidance of incidents that slur the Company's name</li> <li>Reduction / elimination of risks/hazards</li> </ul>	<ul style="list-style-type: none"> <li>Penetration into new markets</li> <li>Improved profitability for the Company and better financial results</li> <li>Briefings are provided regularly</li> <li>Annual reporting (Annual Report and Corporate Responsibility and Sustainable Development Report)</li> <li>Opportunities and risks are evaluated and managed</li> </ul>
Suppliers 	<b>Supporting local suppliers and responsible practices when it comes to selecting and evaluating suppliers</b>	<ul style="list-style-type: none"> <li>HALCOR's Procurement Department</li> <li>Constant contact face-to-face and by phone</li> <li>Attendance at trade fairs and events</li> </ul>	<ul style="list-style-type: none"> <li>Merit-based / objective evaluation</li> <li>Supporting local suppliers</li> <li>Suppliers are briefed about market developments</li> </ul>	<ul style="list-style-type: none"> <li>The Company implements a supplier selection and evaluation procedure for critical materials.</li> <li>When selecting suppliers, priority is given to the local community wherever that is feasible.</li> </ul>

The key issues for dialogue with each group of stakeholders are what HALCOR focuses its actions and energies on, to improve its performance. Publication of the annual Corporate Responsibility & Sustainable Development Report is a commitment the Company has made, and a move which promotes transparency and provides information to all stakeholders about its actions and the measures it takes, and about how it responds to important issues and to stakeholder expectations.

Stakeholders	HALCOR's commitment	Channels of Communication	Stakeholder expectations	HALCOR's response
 <p>Customers</p>	<p><b>High levels of customer satisfaction</b>  <b>Development of innovative products</b></p>	<ul style="list-style-type: none"> <li>• Sales Department</li> <li>• Constant contact face-to-face, over the phone or by email</li> <li>• Company website</li> <li>• Customer Satisfaction Survey</li> <li>• Attendance at trade fairs</li> </ul>	<ul style="list-style-type: none"> <li>• Top spec, high quality products</li> <li>• High levels of service</li> <li>• After sales support</li> <li>• Customers are briefed about market developments and about Company products</li> </ul>	<ul style="list-style-type: none"> <li>• Customer Satisfaction Survey conducted</li> <li>• Survey results are evaluated and corrective measures taken</li> <li>• Special after sales support department exists</li> </ul>
 <p>Local Community</p>	<p><b>Support for local communities to promote mutual growth</b></p>	<ul style="list-style-type: none"> <li>• Constant contact with local bodies and associations</li> <li>• Participation in local community organisation events and activities</li> </ul>	<ul style="list-style-type: none"> <li>• Company response to local community issues</li> <li>• Staff recruited from the local community</li> <li>• Support for local entrepreneurialism by supporting local suppliers</li> </ul>	<ul style="list-style-type: none"> <li>• Priority is given to recruiting employees from local areas.</li> <li>• 40% of the Company's staff is drawn from the local community</li> <li>• Selection of local suppliers</li> <li>• Support for local bodies / sponsorship</li> <li>• Employee volunteer initiatives</li> </ul>
 <p>NGOs and not-for-profit organisations</p>	<p><b>Transparency in all Company activities</b></p>	<ul style="list-style-type: none"> <li>• Membership of NGOs</li> <li>• Events / conferences</li> </ul>	<ul style="list-style-type: none"> <li>• Support for NGO activities</li> <li>• Partnership with NGOs</li> </ul>	<ul style="list-style-type: none"> <li>• Support for the NGOs PNOE and Transparency International Greece</li> <li>• HALCOR's membership of HELMEPA</li> <li>• HALCOR's membership of the Hellenic Network for Corporate Social Responsibility (main member).</li> </ul>
 <p>Government &amp; Institutional Bodies</p>	<p><b>Proper corporate governance and transparency in all its activities</b>  <b>Compliance with the legal framework and standards</b></p>	<ul style="list-style-type: none"> <li>• Attendance at conferences and sectoral events or other ones of general business interest</li> <li>• Consultation with representatives of the government and statutory authorities at national and/or regional level</li> </ul>	<ul style="list-style-type: none"> <li>• Compliance with the applicable legislative framework and regulations</li> <li>• Compliance with the applicable legislative framework and regulations</li> </ul>	<ul style="list-style-type: none"> <li>• Legislative compliance in all sectors of activity</li> </ul>
 <p>Scientific Community</p>	<p><b>Investments in R&amp;D</b></p>	<ul style="list-style-type: none"> <li>• Involvement in institutes and research centres of sectoral interest</li> <li>• Conferences / events of sectoral interest</li> <li>• Studies / Surveys</li> </ul>	<ul style="list-style-type: none"> <li>• Exchanges of views on issues of joint interest</li> <li>• Extended applications of copper</li> <li>• Effects of copper and other metals on the human body and the environment</li> </ul>	<ul style="list-style-type: none"> <li>• HALCOR is a founding member of the Hellenic Copper Development Institute (HC DI)</li> </ul>
 <p>Mass Media</p>	<p><b>Transparency in all Company activities</b></p>	<ul style="list-style-type: none"> <li>• Direct contacts and continuous cooperation</li> <li>• Briefings</li> <li>• Advertising</li> <li>• Press releases</li> </ul>	<ul style="list-style-type: none"> <li>• Support via advertisements and publications</li> <li>• Development of communication and information dissemination</li> </ul>	<ul style="list-style-type: none"> <li>• Advertising and publications</li> <li>• Constant contact and provision of information about all major Company developments</li> </ul>

### 3.2 Targets per Corporate Responsibility Priority

In response to stakeholder expectations, each year the Company monitors and measures its Corporate Responsibility performance and sets targets for each priority. HALCOR strives to achieve constant improvements across the board and to respond to its stakeholders' expectations. The targets set for 2013 and the performance levels achieved are set out in summary form below. All but one of the targets set were achieved in 2013, and 37% of the targets set are long-term. The rate of achievement for these is also shown.

#### TARGETS PER CSR PRIORITY

	PERFORMANCE 2013	Relevant information												
 <b>CORPORATE GOVERNANCE</b>														
To provide training on transparency and Corporate Governance to the Company's administrative staff (over the 2-year period 2013-2014).		During 2013 a special training event on transparency and corporate governance issues was held, attended by all 31 administrative staff (25 men and 6 women). The Company's remaining administrative staff will complete this training in 2014.												
To support the activities of the NGO, Transparency International Greece.		For another year the Company also supported the activities of the NGO Transparency International Greece.												
 <b>MARKETPLACE (Customers, Suppliers, Partners)</b>														
To maintain the ratio of scrap to all metal procured at the same high levels as in 2012.		In 2013 scrap accounted for 51% of all metal procured, but the very high figure achieved in the previous year (61%) could not be attained.												
To maintain the high degree of domestic and foreign customer satisfaction at 2012 levels.		The degree of domestic customer satisfaction was 86% (compared to 85% in 2012) while the degree of foreign customer satisfaction was 77% (compared to 74% in 2012).												
To develop new products and expand into new markets.		In 2013 the Company launched the new TALOS FORM product.												
To increase shares in existing markets.		In 2013 HALCOR increased its market shares.												
<table border="1"> <thead> <tr> <th><b>HALCOR's European Market Shares</b></th> <th><b>2012</b></th> <th><b>2013</b></th> </tr> </thead> <tbody> <tr> <td>Copper rolling (roofing)</td> <td>13%</td> <td>22%</td> </tr> <tr> <td>Copper sheets</td> <td>15%</td> <td>18%</td> </tr> <tr> <td>Copper tubes</td> <td>14%</td> <td>14.5%</td> </tr> </tbody> </table>			<b>HALCOR's European Market Shares</b>	<b>2012</b>	<b>2013</b>	Copper rolling (roofing)	13%	22%	Copper sheets	15%	18%	Copper tubes	14%	14.5%
<b>HALCOR's European Market Shares</b>	<b>2012</b>	<b>2013</b>												
Copper rolling (roofing)	13%	22%												
Copper sheets	15%	18%												
Copper tubes	14%	14.5%												

TARGETS PER CSR PRIORITY

PERFORMANCE Relevant information 2013

To expand the range of products which are certified.



Certification was obtained from ATA (Holland), SZU (Czech Republic) and VIK (Croatia).

HUMAN RESOURCES - HEALTH AND SAFETY

To brief employees about health issues (by cooperating with an NGO to brief female employees about health issues, for example).



A special info-programme was run in cooperation with the NGO 'Angaliazo' (Embrace) about breast cancer prevention among HALCOR's female employees.

To continue the internship scheme to help students acquire work experience.



The internship scheme continued in 2013. A total of 4 students obtained work experience at the Company.

To carry out 11 occupational health and safety inspections by each supervisor at all plants.



11 occupational health and safety inspections were carried out by each supervisor at all plants.

To carry out monthly health and safety meetings at each plant.



11 monthly health and safety meetings were held at each plant.

To ensure every employee involved in the production process attends at least 1 ½ hours of training.



Employees in the production process received 1 ½ hours of training.

To ensure an additional 25% employees in the production process are involved in drills compared to the previous year.



There was a 25% increase in employees in the production process who took part in drills compared to the previous year.

To ensure that at least 70% of HALCOR employees in the production process and contractor staff takes part in occupational health and safety training.



91% of employees in HALCOR's production process and 90% of contractor employees attended occupational health and safety training.

LOCAL COMMUNITY

To provide support for the NGOs activities and the local school community.



HALCOR continuous to support the local school community and respond to its needs. More information about the actions taken in 2013 can be found in the section HUMAN RESOURCES under 'Societal Actions'.

**TARGETS PER CSR PRIORITY**

	PERFORMANCE	Relevant information
<b>ENVIRONMENT</b>		
To achieve a 45% reduction in the use of solvents in the production process by 2015.		A 26% reduction was achieved.
To replace all conventional light bulbs with energy-saving ones indoors at the Copper Tube Production Plant by 2015.		71% of bulbs had been replaced by the end of 2013.
To install the closed circuit copper tube de-greasing system by 2014.		Installation is currently under way.
To achieve a 50% increase in the hours of training (compared to 2012) by 2014.		There was 155% increase in the number of hours of training.
To carry out a HALCOR product life cycle assessment by 2017.		The study is currently being prepared.
To commence the process of recording the environmental impact from transporting employees and products by 2015.		Calculations to determine the environmental footprint for employees have been made and are currently being made for HALCOR's products.
To further reduce waste per ton of product by 5% compared to the average for the 3-year period 2010-2012 for the recycling plant - foundry and the copper tubes plant.		Recycling - Smelting Plant: A 12.3% reduction Copper pipe plant: A 9.3% reduction
To complete the new sewerage network and procure suitable equipment to manage wastewater by 2014.		The project is currently in the planning phase.



Target successfully achieved



working towards achieving the target



Target not achieved .

The Company's new targets for 2014 are shown at the end of each chapter of the Report.





Our people are the cornerstone  
of our business success.



 414 employees

 7.2% of staff are women

## Our approach



## We are focusing on key issues:

- Protecting employee health and safety
- Supporting and bolstering local employment
- Systematically investing in our people
- Providing equal opportunities for all employees and allow them to advance and develop
- Implementing a fair performance appraisal system
- Respecting diversity and internationally enshrined human rights
- Protecting and encouraging employee volunteer initiatives.

## Our Commitment

We are focused on developing a uniform culture of responsibility among our staff.

As a company firmly focused on human values, we ensure that we offer a working environment where pay is fair, where human rights and diversity are respected and where all employees are given equal opportunities.

## 2013 IN SUMMARY



**384**  
Men



**5**  
New recruitments  
(2 individuals from the local  
community)



**93**  
Employee training  
seminars



**30**  
Women



**40%**  
Of employees from the  
local community



A total of  
**1,781**  
hours of training



**17.6** Euro million  
in employee pay



**45,645** Euro total  
cost of training



### 4.1 Human Resources Data

At the end of 2013 HALCOR had a total staff complement of 414. 40% of them came from the local area (the wider area of Viotia and Evia) and 60% from Attica and the rest of Greece.

#### HALCOR Human Resources Data (31/12)

Employees	2011	2012	2013
Men	429	398	384
Women	38	36	30
<b>Total Workforce</b>	<b>467</b>	<b>434</b>	<b>414</b>
Employee Departures (p.e. retirement, contract termination)	35	36	25
Employee Hires	8	3	5
Third-party employees (e.g. contractors)	57	62	63
Ethnic minority (and different nationalities) employees	31	22	22

Around 76% of employees are middle-aged (36 to 55 years old) while 53% are aged under 45. The average age for an HALCOR employee is 44.

Distribution of Workforce by Age and Gender group	20-25	26-35	36-45	46-55	55+
Men	1	56	144	149	34
Women	-	8	10	10	2
<b>Total</b>	<b>1</b>	<b>64</b>	<b>154</b>	<b>159</b>	<b>36</b>

The Company is opposed to child and forced labour and fully complies with the relevant national laws. There were no incidents of child or forced labour in 2013 as in previous years. In addition, recruitment procedures guarantee that no one aged under 18 can be hired by the Company.

#### Internships

To allow young people to enter the labour market, the Company offers students and young high school graduates the chance to obtain work experience and on-the-job experience at its facilities. For another year, the company was in systematic contact with universities and higher schools in Greece and ran an internship scheme. In 2013 as part of its work experience scheme, 4 final year students from universities and technological educational institutes were given internships at the Company.

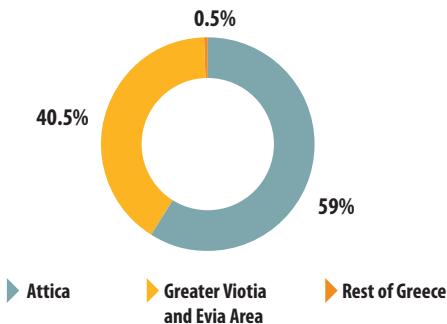
The Company's overall staff levels dropped slightly by 4.8% compared to the previous year (434 employees). In 2013 a total of 25 people left the Company due to resignation, dismissal or retirement, and there were 5 recruitments in total.

Breakdown of Departures - Category	2011	2012	2013
Dismissals	23	27	14
Contract termination	-	-	-
Resignations	4	2	1
Retirements	8	7	8
Other	-	-	2*
<b>Total</b>	<b>35</b>	<b>36</b>	<b>25</b>

\* It refers to death due to the incident and death of natural causes.

Employee Mobility Percentage	2011	2012	2013
Employee Hires (total new hires / total employees 31.12)	1.71%	0.70%	1.21%
Employee Departures (total departures / total employees 31.12)	7.49%	8.30%	6.04%

**Breakdown of HALCOR Human Resources by Geographical Sector**



**Drawing employees from the local community**

In order to bolster local employment levels, the Company draws a significant part of its staff from members of the local community. 14% of managers and senior executives also come from the local community.



**166**  
employees out of 414  
(40% of the total number  
of staff) comes from  
the local area



## 4.2 Employee Assessment

Implementing staff appraisal schemes has a positive impact on how the Company is organised, by rewarding good professional performance among employees and encouraging efforts to further improve performance levels.

The staff performance appraisal system HALCOR runs:

- is based on objective, transparent appraisals
- utilises procedures that take into account the post, duties and job description of each employee
- applies to all company staff and executives, and there is a similar system in place for labourers.
- revolves around procedures based on dialogue, cooperation and participation.

All employees who are appraised are notified about their appraisal and are actively involved in it, exchanging views during a face-to-face meeting with their supervisor identifying strong and weak points in their performance, and also ways to improve as well as how training needs can be met.

HALCOR's appraisal system seeks to:

Reward strong professional performance

Encourage efforts to improve performance

Utilise the skills of employees by bringing personal goals into line with company targets

Develop human resources

Promote health professional rivalry between employees

Improve employee performance

Employee Assessment	2011	2012	2013
No. of employees assessed	41	57	50
Men	35	41	33
Women	6	16	17
Employees assessed who had access to assessment results	100%	100%	100%

## 4.3 Equal Opportunities and Respect for Human Rights

Ensuring a working environment where there is fair pay, where human rights and diversity are respected and where all employees have equal opportunities, is a key priority for HALCOR.

HALCOR is committed to respecting human rights and ensuring compliance with fundamental freedoms and human rights, as outlined in the principles enshrined in the HALCOR Code of Conduct. That Code includes special provisions which ban all forms of discrimination due to gender, colour, religion, national origin, citizenship, age, special abilities, marital status, sexual orientation, socio-economic position or any other characteristics protected by internationally-recognized human rights.

**“Respecting diversity and internationally enshrined human rights, we offer all employees equal opportunities for development and career advancement”.**

**There has never been an incidence of discrimination or related complaint at HALCOR.**

**7.2%**  
of staff is  
women

**22**  
employees  
are of other  
nationalities

HALCOR encourages women to join its workforce. However, the percentage of women in the overall workforce is low because of:

- The nature of the job (industry)
- The distance between its production plants and major urban centres.

At HALCOR all employees have equal opportunities when it comes to pay, development and career advancement. An important criterion in recruiting employees is their skill set. The Company also condemns all forms of harassment or violence, and there are procedures, guidelines and mechanisms in place to ensure that such cases are prevented in the workplace.

### Employee Distribution per Hierarchical Level and Gender Group

Hierarchical Level	Number of Employees		Total
	Men	Women	
Board of Directors	11	0	11
Managers	12	0	12
Senior Executives	31	1	32
Office staff	64	27	91
Εργατικό προσωπικό	277	2	279
<b>Total*</b>	<b>384</b>	<b>30</b>	<b>414</b>

\* The Board of Directors members are not included in the Company's total Human Resources.

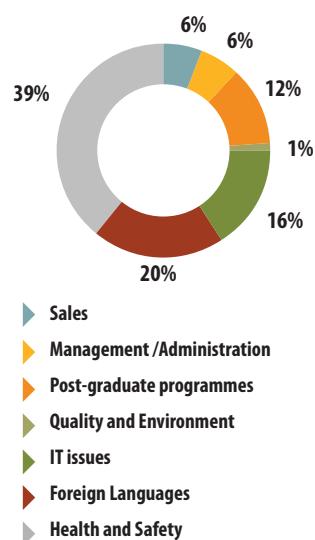


#### 4.4 Employee Training and Development

Employees at HALCOR undergo continuous professional development and career advancement integrated in their daily working activities. As a company which supports constant, systematic improvements in employee skills, each year HALCOR designs and runs a range of training courses depending on the training needs of its various departments and the specific needs of particular job positions. Particular emphasis is placed on training employees about health and safety issues.

In 2013, 336 of HALCOR's employees attended at least one training course (81% of all employees).

Distribution of training man-hours by subject (2013)



#### Training indicators per employee category/hierarchy

Position/Rank	Total training hours			Average hours of training per category		
	Men	Women	Total	Men	Women	Total
Managers	170	0	170	14.2	0.0	14.2
Senior Executives	176	2	178	5.7	2.0	5.6
Office staff	482	301	783	7.5	11.1	8.6
Other staff (Warehouse staff and workers)	0	0	0	0,0	0,0	0,0
<b>Total</b>	<b>828</b>	<b>303</b>	<b>1,131</b>	<b>2.2</b>	<b>10.1</b>	<b>2.7</b>

The Company also provides its staff with the option to attend postgraduate courses and foreign language courses.

Lifelong Learning Programmes (number of employees)	2011	2012	2013
Employee Foreign Languages Programmes	n/a	n/a	7
Employee Postgraduate Programmes	3	2	3

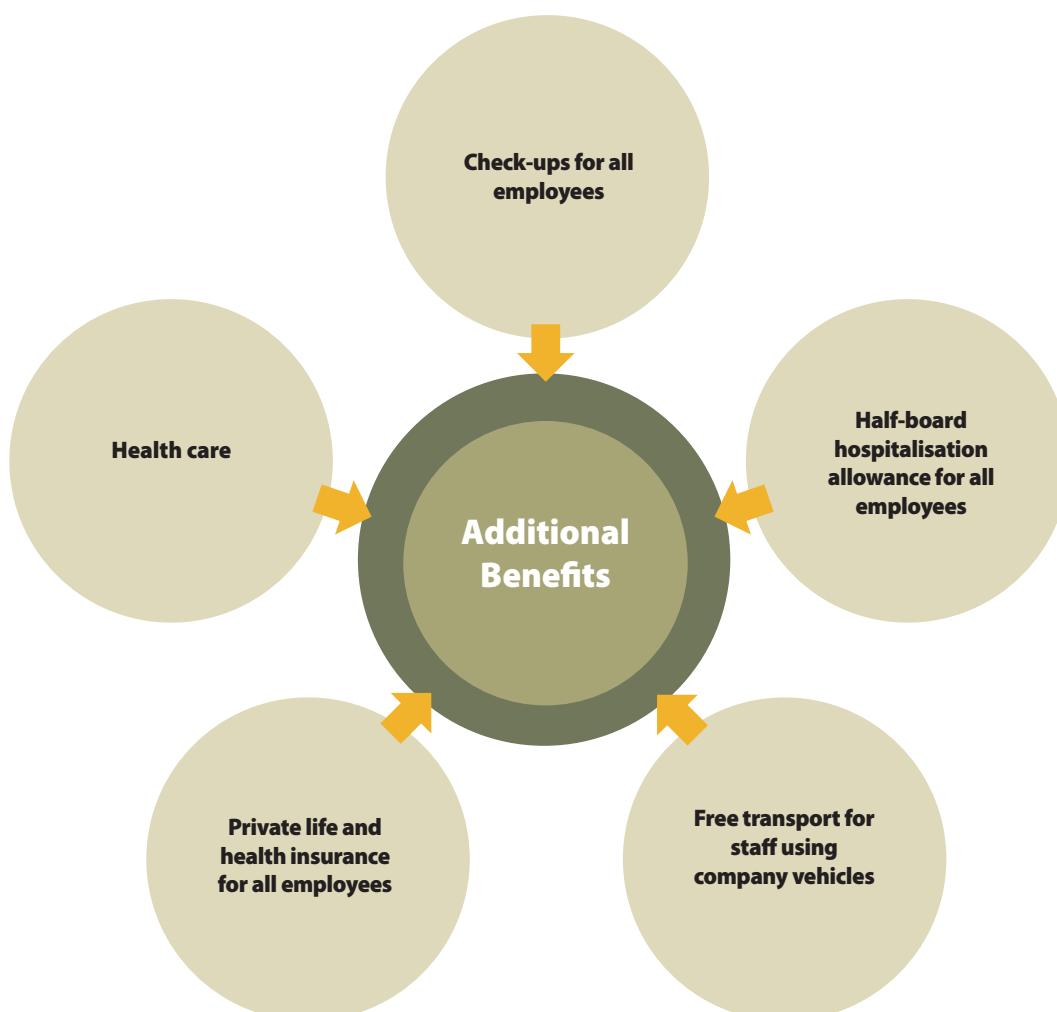
## 4.5 Salary and Benefits Policy

The pay policy implemented is based on certain key factors such as level of education, experience, responsibility, and the value / weighting of the post in the labour market.

In addition to statutory pay and the benefits the Company is required by law to provide, HALCOR also offers a series of major benefits to both its employees and their families. The additional benefits are offered to all Company employees, without discriminating between employees at different facilities or involved in different activities.

The following additional benefits are offered in line with Company policy:

- Housing
- A company car and mobile phone for executives.

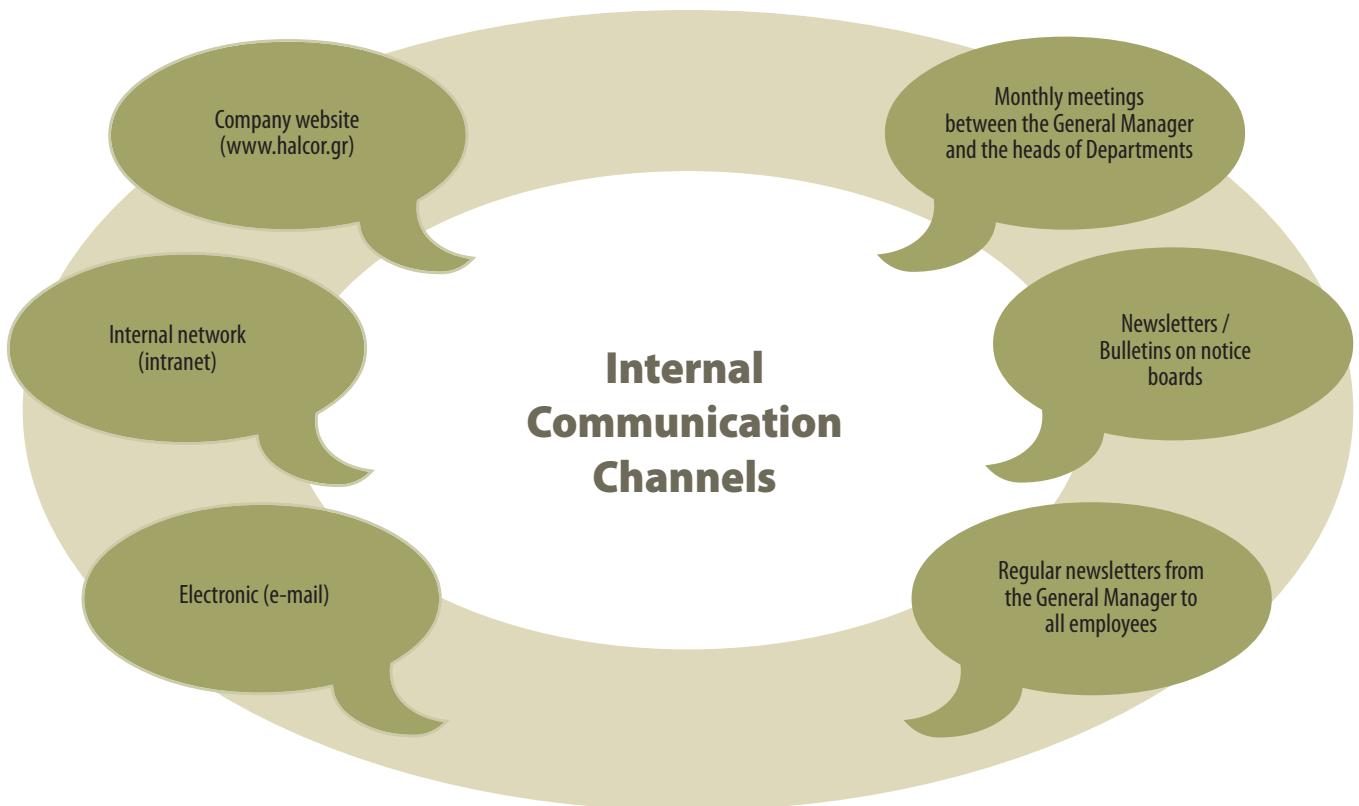




#### 4.6 Internal Communication

A key factor in success for HALCOR is communicating and consulting with employees. Using these channels, employees are briefed about Company strategy, initiatives, services and products and a climate of trust between employees and management is fostered. Using internal communication channels, two-way communication between employees and management is encouraged, dialogue and cooperation between various units is strengthened and corporate philosophy becomes more engrained and ties between Company employees become stronger.

To foster communication between employees and management, the Company operates an "Open Door" policy under which management is always willing to listen to and discuss issues of concern to its staff.



#### 4.7 Employment contracts

The Company fully respects its employees' collective bargaining rights in the context of its more wide-ranging respect for internationally agreed human and labour rights.

All employees (100%) have employment contracts and work full-time (in 2013 the Company had no seasonal or part-time employees).

**Total workforce by employment type and employment contract**

Category employment type and employment contract 2013	2013		Total
	Men	Woman	
Total employees	384	30	414
Full-time employees	384	30	414
Collective bargaining agreement	100%	100%	100%
Indefinite-term employment contract	100%	100%	100%
Fixed-term employment contract	0	0	0

Employee pay is in line with the relevant statutory rules from time to time. All Company employees are paid above the minimum pay set in law.

**4.8 Employee volunteer initiatives**

The Company fully respects the idea of volunteerism and supports and encourages initiatives and actions taken by its employees in this sector. HALCOR's employees have demonstrated their social awareness in practical terms, not only by making a contribution but also by organising actions to support vulnerable social groups and to protect the environment, as well as blood drives, on their own initiative.

**Volunteerism Programme**

In 2010 HALCOR's staff on their own initiative launched the in-house programme called 'Contributing all together for a solidarity-based society'. This programme is designed to support poor families by raising awareness among the Company's employees in order to collect food, clothing, games and books. For yet another year, despite the difficult economic backdrop, this scheme was a success and employees made a considerable contribution. In recognition of the contribution made by its employees and to further stimulate and encourage them to engage in volunteerism, the Company purchased double the quantity of food collected. The scheme ended in December 2013 and the items collected were handed over to a Church in the local area which distributed them to poor families in the local communities.

**Environmental Protection Actions*****Beach Cleaning***

To protect the environment and make a contribution to local communities, in 2013 employees from the Company organised a volunteer beach cleaning activity in the local municipality. The beach was successfully cleaned with the voluntary participation of employees from HALCOR under the guidance of the NGO, HELMEPA. The Company has been a member of HELMEPA since 2010.





#### *Tree planting event*

HALCOR's employees were involved in a volunteer tree planting event organised by the radio station/television channel SKAI as part of its 'Together We Can, for the environment' scheme. Trees were planted in the Karaouli area of Mt. Pentelis to protect and regenerate the mountain. 10,000 saplings were planted by volunteers from various organisations, schools and bodies from Penteli, Marousi, Kifissia and other municipalities in NE Attica.

#### **Volunteer Blood Donation Programme**

The Company has been organising a voluntary blood donation programme with great success since 2001, covering the needs of employees and their families. The Company schedules blood drives each year at its premises in cooperation with the Laiko Hospital.

	2011	2012	2013
Bottles of blood collected	30	34	54

Over the last 3 years, HALCOR's blood bank has helped a total of 79 people

### 4.9 Societal Activities

Each year HALCOR supports a series of activities for the society responding to the needs and expectations of its stakeholders (local communities, NGOs, schools and local bodies), thereby displaying its social concern in very practical terms. Just some of the main social investment activities the Company engaged in, in 2013, are listed below:

- Support for NGOs:
  - o Over recent years HALCOR has supported the work of the NGO "PNOE" which provides assistance to children in intensive care. PNOE is a not-for-profit association set up to provide assistance to children and new-borns in intensive care units.
  - o For another year the Company also supported the activities of the NGO Transparency International Greece. Transparency International Greece is a NGO which has been operating since 1997 for the sole purpose of combating corruption.
  - o The Company also supported the work of the NGO "Volunteers against Cancer – Angaliazo / Embrace".
- Support for schools:
  - o In 2013 HALCOR supported the Paralia Avlidas Primary School by purchasing heating oil for it and also bought computers and other electronic equipment for the Oinofyta Junior High School. It also provided IT support to the Oinofyta Primary School to help set up a school computer network, and also donated several computers.



- Support for local associations and bodies:

- o In 2013 the Company provided sponsorship to the ERMIS Schimatari Sports Club. The Company also provided sponsorship to the Federation of Sterea Ellada Industries, which supported the Panhellenic Athletics Championships held at the Schimatari Municipal Stadium.



- o The Company was also involved in an initiative run by the Municipality of Tanagra to set up and run a local social grocery store. The Company purchased food which was then distributed via the Municipality's social grocery store.



- o HALCOR has a long tradition in providing support to and continuously collaborating with the local authorities. In that context, it provided the local authorities (such as the police) with office supplies and various other materials to meet their needs.

- o The Company also provided sponsorship for a hydraulics / thermohydraulics competition run by the Hellenic Copper Development Institute in which 22 schools participated.

#### OUR TARGETS FOR 2014



To train employees about first aid, in cooperation with a certified body.

To continue to further expand the employee awareness campaign about health issues and serious illness prevention in partnership with NGOs.

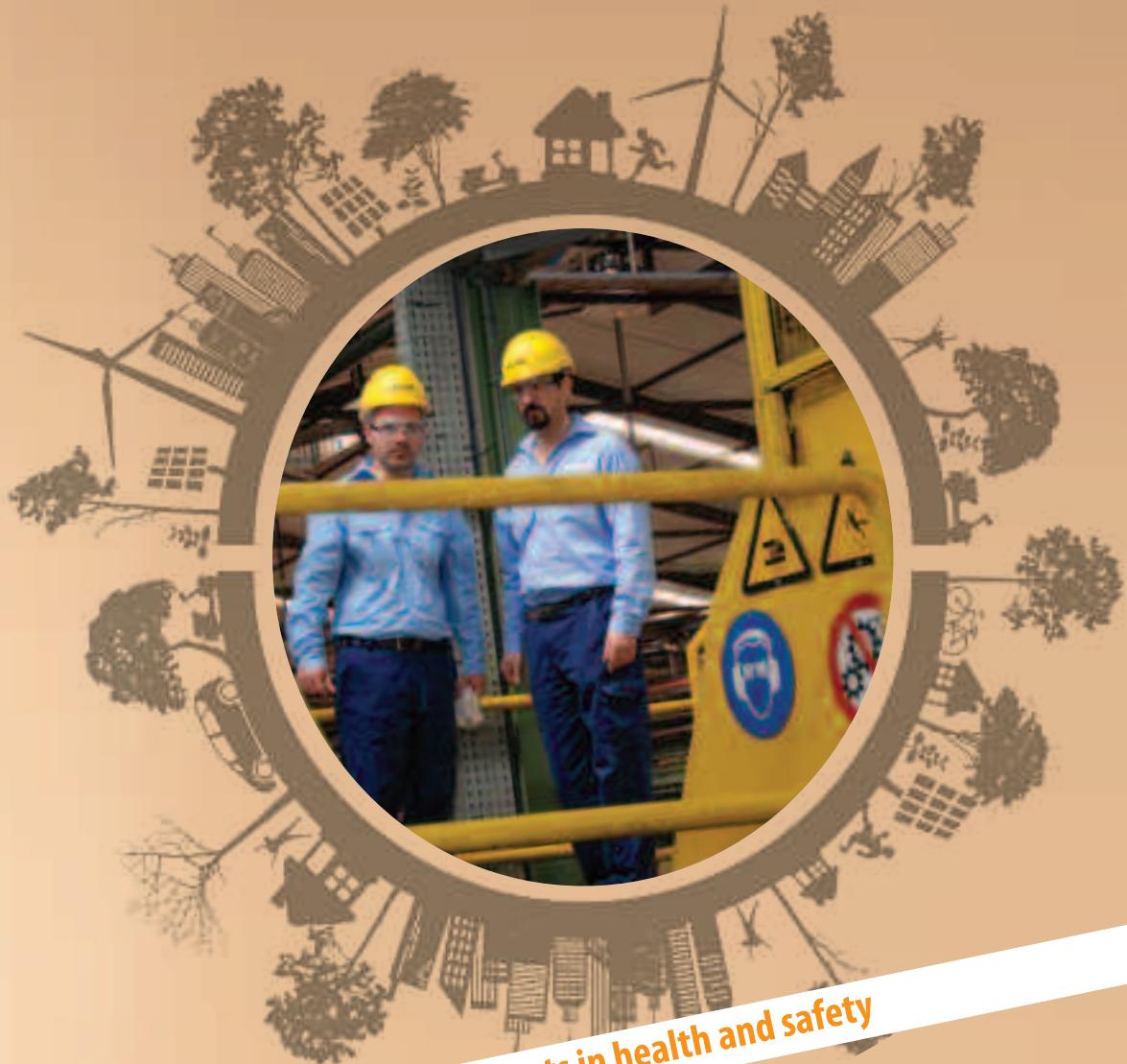
To continue the internship scheme to allow students to acquire work experience.

To support the activities of NGOs.

To continue to support local schools and local associations, bodies and authorities.



**We are committed to occupational health and safety and it is top priority for us.**



**Euro 127,000 on investments in health and safety**



**692 hours of training of health and safety issues (597 hours training employees in the production process and 95 hours training administrative staff / labourers)**



**233 hours of training on health and safety issues for the employees of third parties (contractors)**

## Our approach



## We are focusing on key issues:

- Protecting employee and third party health and safety
- Creating and maintaining a working environment free of risks, injuries, accidents and occupational diseases.
- Accident prevention
- Employee training



## Our Commitment

- To implement the Company's Occupational Health and Safety Policy.
- To safeguard the health and safety of employees, associates and visitors.
- To implement a certified Occupational Health and Safety Management System.
- To comply with the applicable legal framework and high health and safety standards.
- To give absolute priority to preventing accidents via scheduled inspections of potentially hazardous situations.
- To provide continuous briefings, to raise awareness and promote active involvement by all employees in health and safety issues.
- To build a safety-based culture for all company's activities, including the operations of associated companies, contractors, and suppliers.

## 2013 IN SUMMARY



**12.4**  
Accident Frequency  
Index



**2.1**  
Hours of training  
per employee



**12**  
Injuries /  
accidents



**2.5**  
Injury Ratio (IR)



**13**  
Lost Days Ratio (LDR)

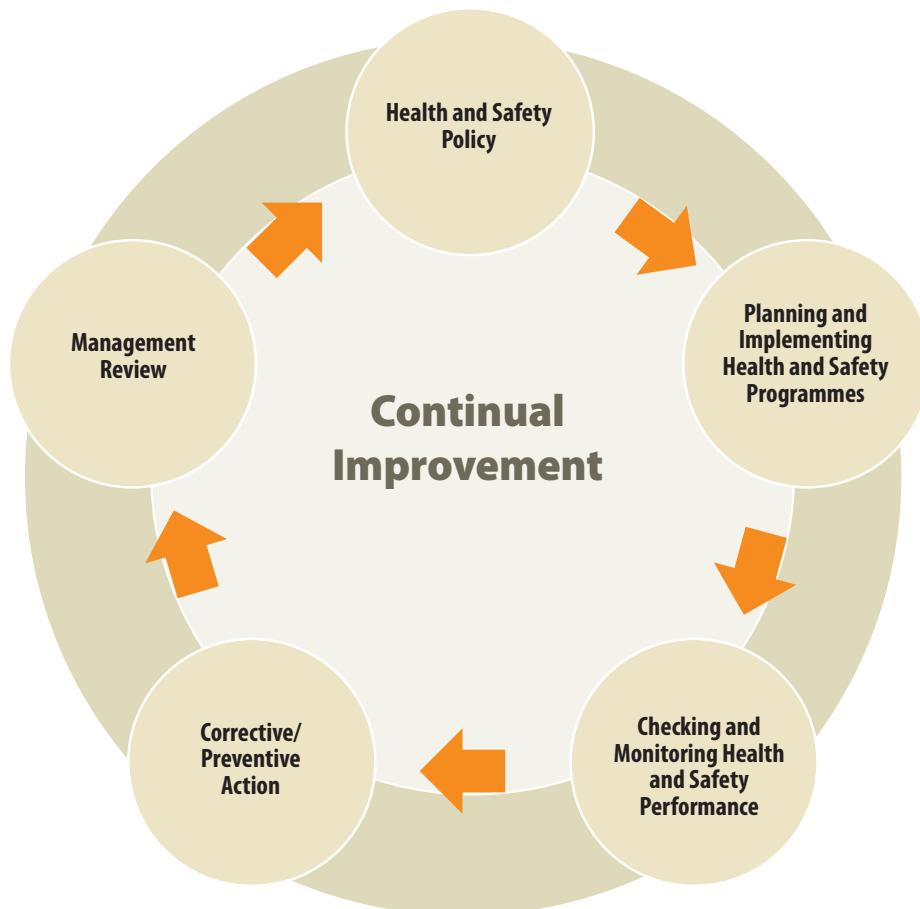


### 5.1 Occupational Health and Safety Management System

HALCOR demonstrates its commitment to safeguarding employee health and safety via the Occupational Health and Safety Management System it implements. The Company achieves continuous improvements in the health and safety arena by effectively implementing the System, investing in projects and programmes, and also thanks to the contribution and involvement of all employees who act responsibly in relation to these matters. The standing objective for all of us remains 'zero accidents'.

HALCOR's Health and Safety Management System:

- is based on prevention.
- seeks to ensure constant improvements to occupational health and safety conditions.
- covers all of HALCOR's production facilities (copper pipes/tubes plant, recycling plant – foundry).
- is certified in line with the requirements of the OHSAS 18001:2007 standard.



In order to ensure continuous improvements in the occupational health and safety sector, each year the Company makes major investments. Annual health and safety needs are evaluated, ranked, and the relevant steps are taken in line with the targets set by the Company's Health and Safety Division, and are approved by HALCOR's management team. Total health and safety expenditure in 2013 was Euro 127,000 while over the last

**Ongoing  
investments in the  
health and safety  
sector**



6-year period (2008-2013) more than Euro 1.5 million has been spent on health and safety programmes and improving HALCOR's infrastructure in this area.

**5.1.1. 5S system: Continuous Improvements Programme**

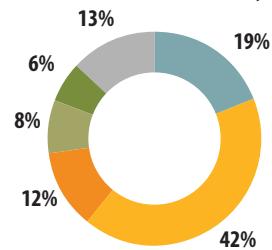
A key tool in HALCOR's endeavour to achieve continuous improvements in occupational health and safety and to more effectively manage its resources and equipment is the 5S system it implements. The philosophy underscoring this system rests of 5 implementation stages (Sorting, Setting in order, Shine, Standardising, and Sustaining).

**5.1.2. Management structure for health and safety issues**

HALCOR has a standing health and safety team at its facilities, which manages all occupational health and safety issues, checks that work is being done safely, and whether the System is being implemented and constantly improved at all Company facilities. HALCOR's management team receives direct and monthly briefings from production boards and executives about all issues impacting on health and safety and seeks to promote the uninterrupted implementation of health and safety Policy and the relevant national legal requirements.

Checks and inspections are constantly being carried out at the various departments in the Company facilities. The Health and Safety Officer working with the Manager of each plant and the safety technician hold meetings with the heads of each department every month. Regular inspections are also carried out by the heads of department each month. As part of this process, HALCOR encourages the exchange of views with employees and asks them to submit proposals to achieve continuous improvements in the health and safety sector.

**Investments & Operational Expenditures on Health and Safety**



- ▶ Restructuring of fire safety system
- ▶ Workplace management
- ▶ Employee medical cover programme
- ▶ Application –upgrading of Personal Protection Equipment
- ▶ Lifting equipment certification
- ▶ H&S Department Spending (training, H&S system certification, etc.)

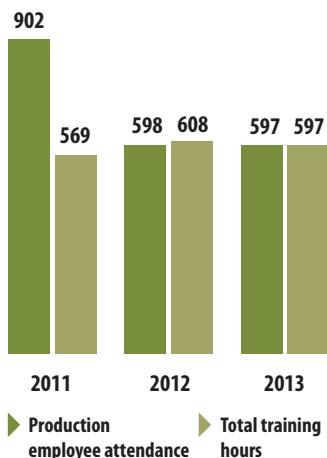


**5.2 Training for Health and Safety**

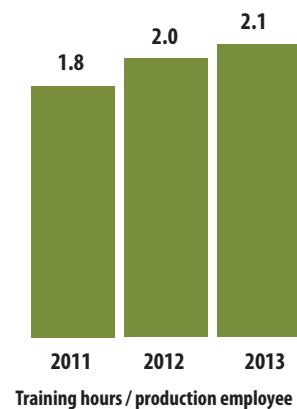
Company performance in the health and safety sector is to a large degree dependent on the involvement of all employees, and the responsible attitude they take towards such matters. That is why HALCOR attaches particular importance to training its employees about health and safety issues. In parallel with training courses, a Health and Safety Manual is also distributed to employees, containing the Company's Health and Safety Principles and relevant rules in order to provide guidance and change their attitude towards safer practices at work.

**Protecting health and safety is the responsibility of each and every one of us**

**Health and Safety Training indicators Number of attendance & Total training hours**



**Average training hours per production employee**



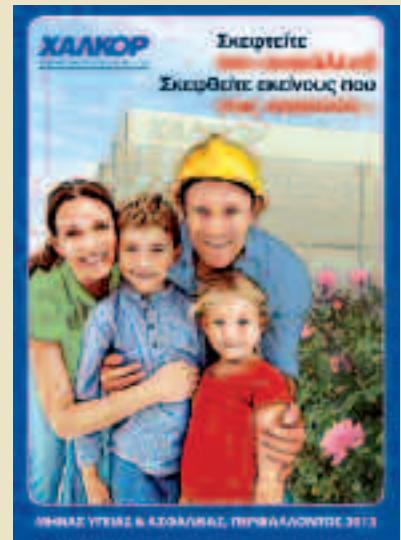
In 2013 HALCOR provided its staff with a total of 692 hours of training about various health and safety issues. 597 of those hours related exclusively to staff involved in the production process.

Training on health and safety issues is not only offered to HALCOR's own staff but also to the staff of contractors working at its facilities. In 2013 a total of 233 hours of training about health and safety issues were provided to third parties.

**Health, Safety & Environment Month**

The Health, Safety & Environment Month is now a firm fixture on HALCOR's annual calendar and is designed to promote knowledge about health, safety and environmental issues and to raise more awareness among staff in this sector. For the 4th consecutive year the Company has run this scheme, confirming that occupational health and safety is a top priority and unwavering commitment for HALCOR.

The 2013 Health, Safety & Environment Month was successful, due to a high level of participation by staff at all levels within the Company. During the month the Company ran a long training course to ensure continuous improvements in employee technical skills on critical aspects of safety such as how to manage chemical leaks, how to put out fires, and how to work safely at heights, and various environmental topics were also addressed. Printed material were also distributed to all company staff and associates about Health, Safety and Environment at work and away from the workplace. The subjects discussed in the training courses each year are selected depending on the requirements that need to be fulfilled.





### 5.3 Health and Safety Programmes

HALCOR is constantly striving to safeguard the health and safety of its employees. Each year a series of actions and programmes are organised to protect the health and safety of Company staff.



#### Briefings about serious illnesses: Breast Cancer

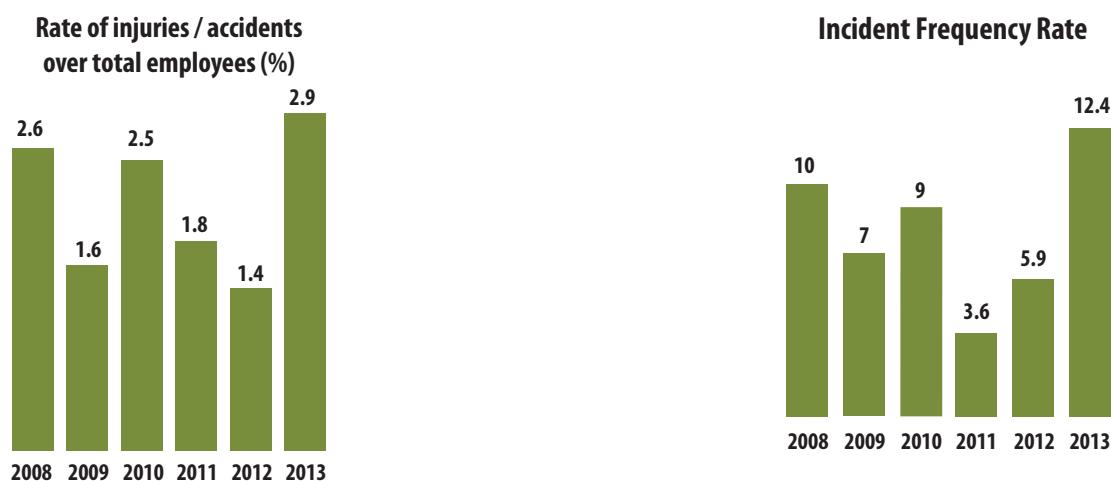
In 2013 the Company held a briefing for female employees in partnership with the NGO "Volunteers Against Cancer / Angaliazo / Embrace" about how to prevent and diagnose breast cancer in good time. The issues addressed were:

- What is breast cancer
- Prevention – Risk factors
- Timely diagnosis
- Stages of the disease
- Treatment and side effects
- Post-treatment
- Diet and exercise.

Female employees were given hard copied material as well as material in electronic format about prevention and self-examination techniques.

## 5.4 Monitoring Health and Safety Performance

The Company keeps a close eye on and records the Occupational Health and Safety's performance. HALCOR continuously strives to reduce the number of occupational accidents with the goal being to totally eliminate them and to ensure that its employees remain free of occupational diseases. HALCOR makes every concerted effort to achieve this.



*NOTE: When calculating lost days, the measurement starts from the day after the accident and includes minor accidents that only require first aid.*

Company management is committed to taking all necessary measures required to ensure a safe working environment. Despite all the measures taken to eliminate all likelihood of accidents occurring, unfortunately at the beginning of 2013 there was a tragic incident which shocked the Management team and employees of HALCOR. The loss of a human life was a painful reminder that no preventative measures in the occupational safety sector should ever be considered enough. When managing scrap brass, a large diameter shell exploded resulting in one employee being fatally injured. This is an unprecedented sort of accident since that sort of material has been used at our plant for more than 40 years as a raw material and no incident of this sort had ever occurred. The explosion was caused because a detonator had been left in the shell even though the scrap metal was certified as being non-hazardous.

To rule out all likelihood of such an accident reoccurring in the future, it was immediately decided to cease deliveries of scrap metal containing large-size shells. The necessary procedures covering the period before delivery of metal to the plant have now been put in place. The Safe Work Guidelines drawn up the Raw Materials Delivery and Management Department were also revised accordingly to include instructions about the case where 'suspect' materials are found despite all the precautions taken.



HALCOR fully complies with the relevant national legislation on recording, investigating and disclosing accidents to the competent authorities. It investigates the accident conditions to discover the root causes that led to the accident. Subsequently, corrective and preventive measures are designed and implemented.

**To date no occupational diseases have been recorded at the Company**

#### OUR TARGETS FOR 2014



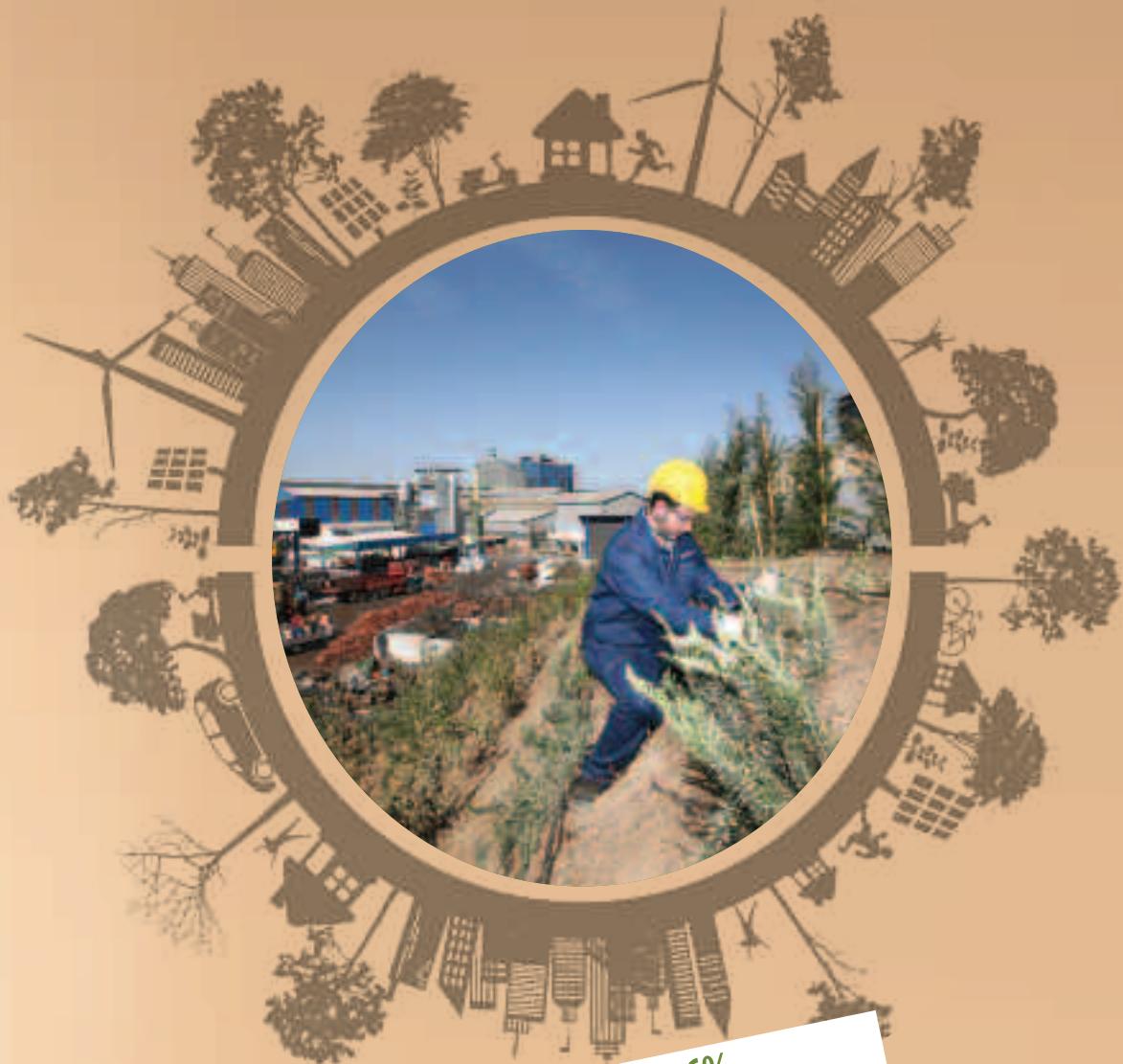
To have every production, maintenance and quality control supervisor carry out 10 health and safety inspections at each plant.

To carry out 10 monthly meetings at each plant concerning health and safety to ensure that each employee involved in the production process attends at least 1 ½ hours of training on health and safety issues.

To implement an awareness-raising scheme for staff about the need to report near misses.



**Our overriding goal is  
to protect the environment.**



**Specific water consumption fell by 6%  
(m<sup>3</sup> per ton of product) compared to 2012**



**295,857 kWh of energy were saved per year compared to 2012  
due to production process re-engineering**



**Recycled metal usage rose by 3% per ton of end  
product compared to 2012**

## Our approach



## We are focusing on key issues

- Proper management of raw materials
- Emissions management/reduction
- Energy savings
- Water savings
- Proper waste management



## Our Commitment

- To implement the Environmental Policy and the certified Environmental Management System
- To minimise our environmental footprint
- To comply with the applicable environmental laws
- To save natural resources (water, energy, raw materials)
- To prevent pollution
- To implement capital expenditure plans to ensure that the Company achieves continuous improvements in environmental management and develops know-how for environmentally-responsible Sustainable Development

## 2013 IN SUMMARY

Energy consumption:  
**659**  
kWh/ton of product

Water consumption:  
**103,728**  
m<sup>3</sup>

**95.7%**  
of waste recycled and  
reused

CO<sub>2</sub> generated:  
**10,665**  
tons

NOx generated:  
**8**  
tons

**892**  
hours of training

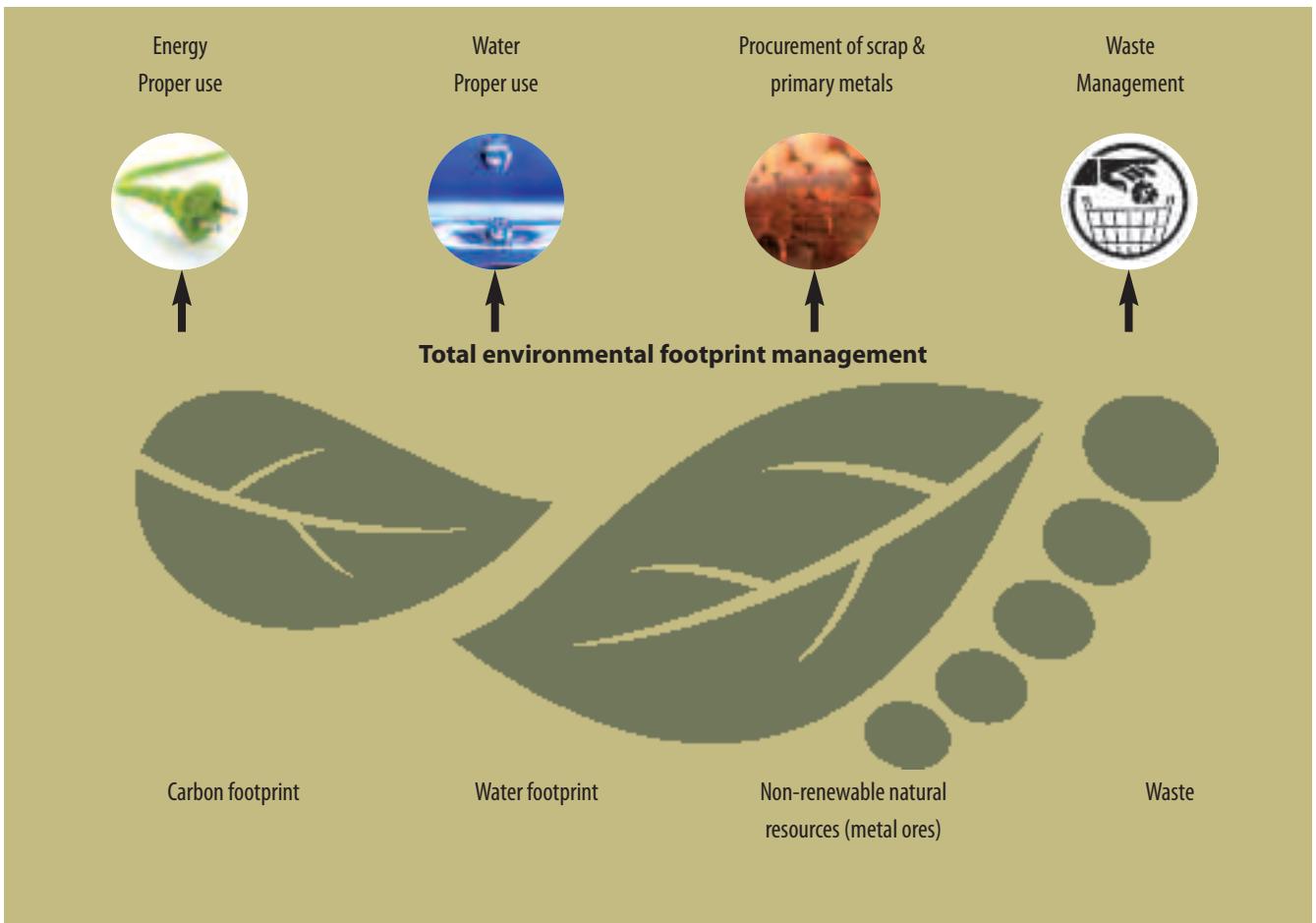
**144**  
Kg CO<sub>2</sub> per ton of product  
(direct emissions)

**1.13**  
Euro million invested and spent  
on environmental protection

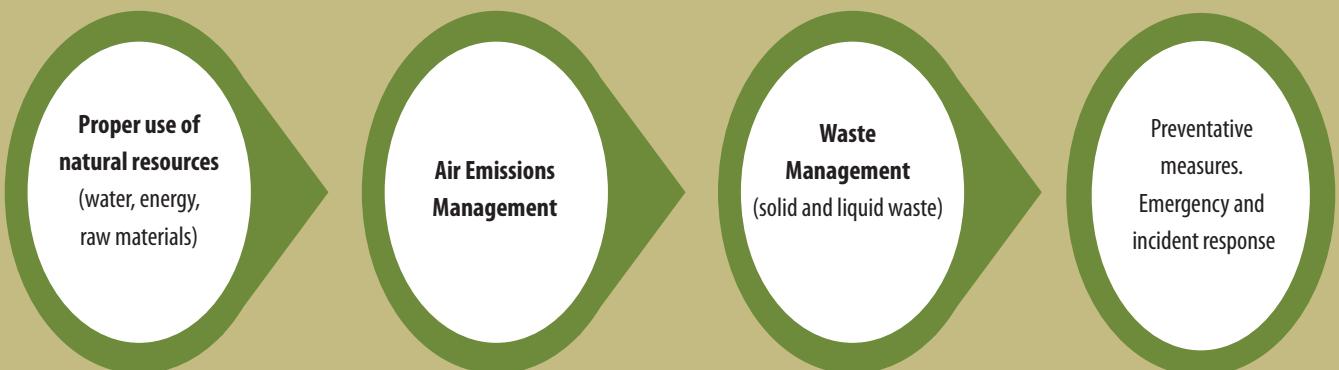


**6.1 Environmental Footprint Management**

An essential condition in properly and comprehensively managing environmental issues is that the Company’s environmental impacts are measured and constantly monitored. Environmental impacts are HALCOR’s footprint on the environment due to consumption of natural resources, greenhouse gas emissions, and the disposal of / recycling / reuse of waste and so on.



The main categories in which HALCOR implements environmental management activities are listed below:



HALCOR actively supports Greece’s attempts to set up recycling infrastructure. The contributions it has paid to the Hellenic Recovery Recycling Corporation (HERRC) from 2007 to the present have financed the purchase of around: **635 blue recycling bins or 1 recycling truck.**

## 6.2 Environmental Management System

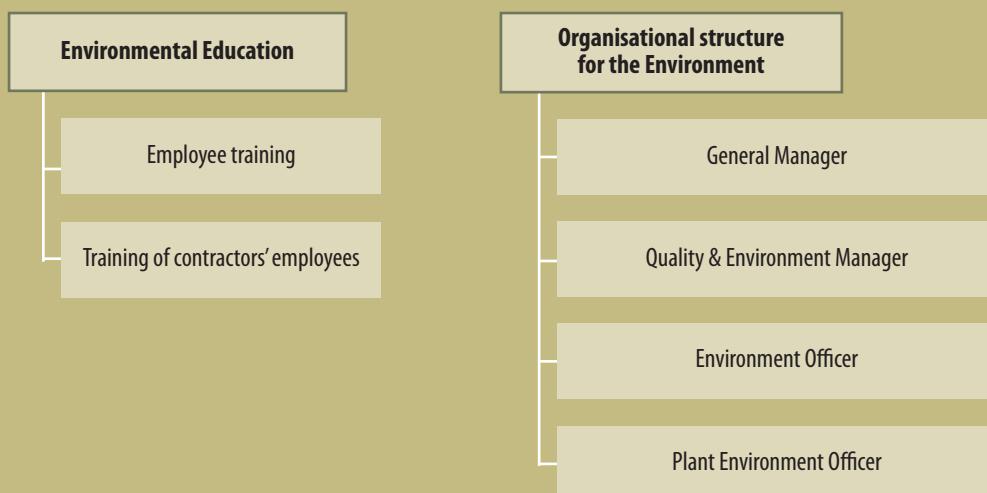
HALCOR’s management team is committed to environmental protection, a commitment it implements by comprehensively managing the environmental impacts of its operations. To achieve this, the Company has adopted a specific Environmental Policy (*see <http://www.halcor.gr/en/corporate-responsibility/environment/environmental-policy/>*) and is committed to implementing it as part of an ISO 14001:2004 certified Environmental Management System which applies to all its production plants.



ISO 14001 certification at HALCOR’s plants						
No	Plant	2009	2010	2011	2012	2013
1	Copper Tubes	√	√	√	√	√
2	Recycling - Melting	√	√	√	√	√
3	Titanium-zinc Rolling Plant*	√	√	√	√	√
4	Polyethylene sheet production line (Plastic and rubber compounds plant)	-	-	√	√	√

\* This plant suspended production activities on 01.01.2011.

The Company achieves continuous improvements in its environmental ratings by properly implementing its Environmental Management System, and by investing in projects and programmes. To help monitor the progress of its environmental programmes and the continuous improvements in the Environmental Management System the Company set up an Environment Department division staffed by skilled experts. Management is briefed about all environmental protection issues and monitors how Environmental Policy is implemented.





Effective environmental protection arises as a result of the collective endeavours and culture of all employees. In 2013, 892 hours of training were provided, and a total of 262 employees were trained about environmental issues (66 of whom were staff of our contractors).

Training on environmental issues	2011	2012	2013
Number of employees	109	241	262*
Number of workshops held	12	11	16
Training hours	283	349	892

\* 66 of them are contractors' employees

Every year HALCOR implements a major capital expenditure plan with environmental protection and prevention works, to achieve continuous improvements in the field of environmental management. Annual environmental protection needs are evaluated, ranked, and the relevant actions are taken in line with the targets set by the Company's Environment Department, and are approved by HALCOR's management team. In 2013 total company spending on environmental management and protection exceeded Euro 1.13 million.

**Major investments  
in environmental  
management**

#### **Audits and Compliance with Legal Requirements**

HALCOR's guiding principle is fully compliant with the relevant national and European environmental legislation. It continuously carries out environmental audits at all facilities to check compliance with the legislation and observance of the Company's environmental procedures and measures. The results of these environmental audits are presented to HALCOR's management team and additional measures are taken if necessary.

From June to August 2013 data was submitted to the State General Laboratory in compliance with the chemical products legislation and as part of the REACH-EN-FORCE 3 inspection programme being run by the European Chemicals Agency (ECHA) concerning implementation of the REACH Regulation (Reg. (EC) No 1907/2006).

**In 2013 there were no  
complaints about HALCOR's  
operations and no sanctions  
for environmental issues were  
imposed.**

### **6.3 Efficient Use of Natural Resources**

HALCOR ensures that natural resources needed in its production processes are managed as efficiently as possible. To achieve this, it monitors and manages water and energy consumption levels, and a major part of its raw material requirements are now met by using scrap metals whose life cycle is over.

### HALCOR's Product Life Cycle Assessment

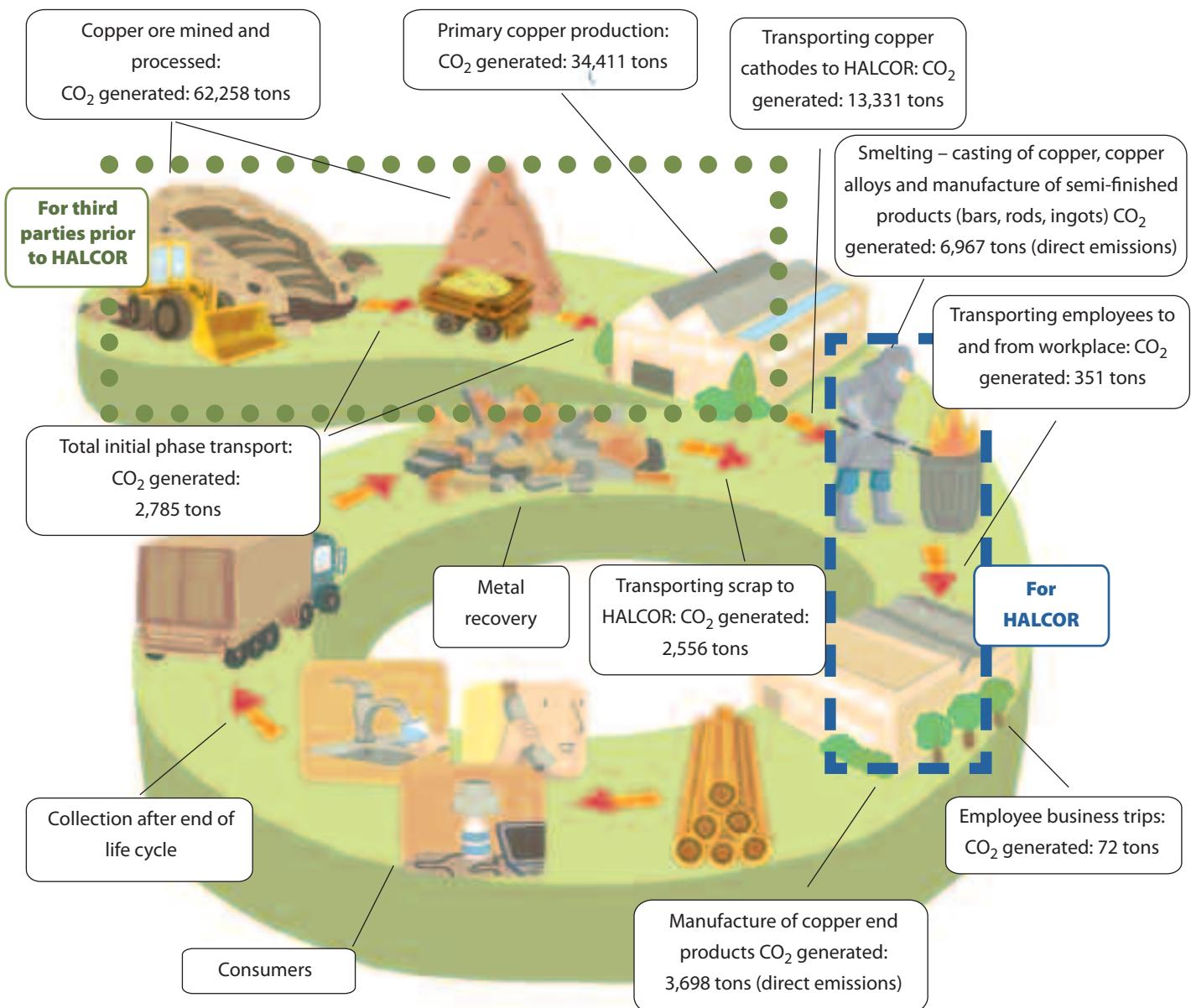
HALCOR strives to minimise the impact its products have on the natural environment across their entire life cycle. Life Cycle Assessment (LCA) is a method that uses a series of exacting processes to quantify resources inflows and outflows in all stages of a product's life cycle.

Using scrap metal instead of primary metal, HALCOR combines economic efficiency with environmental protection, having achieved a major reduction in its impact on the natural environment both by reducing the quantity of natural resources mined, and in terms of energy and water consumption and gas emissions.

The diagram below shows the CO<sub>2</sub> emissions released in 2013 during various phases of HALCOR's product life cycle. Additional information about the formulas, calculation methods, and assumptions used can be found in Annex I.



### Copper Life Cycle Assessment



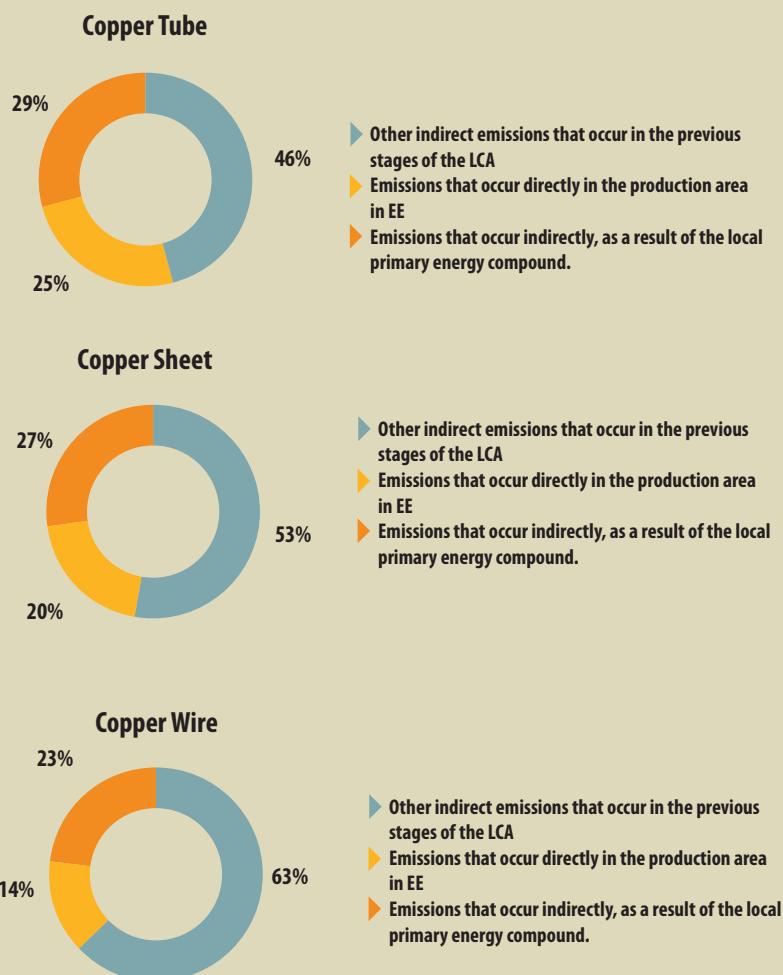


### Copper Products Life Cycle Assessment

Improving the environmental performance of products, while also fostering Sustainable Development throughout the entire supply chain has become a matter of great interest for both consumers and industries over recent years. European Union initiatives such as “sustainable consumption”, also seek to promote the efficient use of resources and to showcase the use of more environmentally-friendly products.

The copper industry has committed itself to reducing the environmental impacts of its activities. In response to requests from end users and regulatory authorities detailed LCAs have been prepared for copper and copper’s intermediate products (sheets, pipes and wires).

The diagrams below show the results of the LCA (Global Warming Potential / GWP) based on official sources.



More information is available on the website address below:  
<http://www.copperalliance.eu/gr/about-copper/life-cycle>.



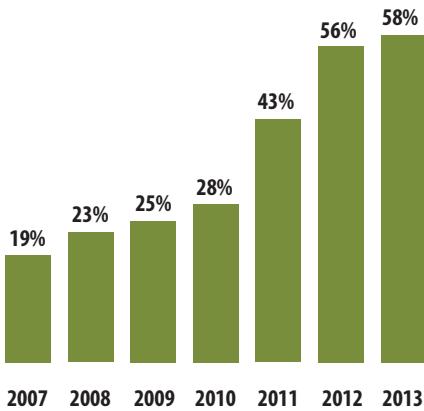
**6.3.1 Raw materials**

The Company's key raw material is copper. One overriding objective for the Company is to use raw and ancillary materials with the maximum degree of efficiency since an increase in efficiency leads, among other things, to a reduction in the waste generated. HALCOR also ensures that it meets a significant part of its copper needs by utilising used metals whose life cycle is over (scrap metal) thereby combining economic efficiency with a reduced environmental footprint in the best possible way.

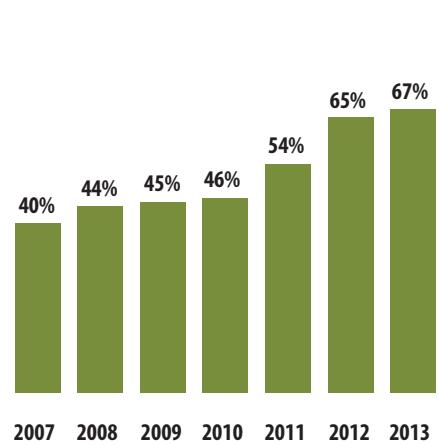
**HALCOR is Greece's largest recycler of copper and its alloys**

**In 2013, 67% of metals used in the HALCOR production process (along with in-house returns) came from recycled metals.**

**Recycled metal consumption (percentage) in relation to total metal consumption (without internal returns)**



**Recycled metal consumption (percentage) in relation to total metal consumption (\*)**



(\*) The diagram also shows the quantities of recycled metals from in-house returns during the production process.

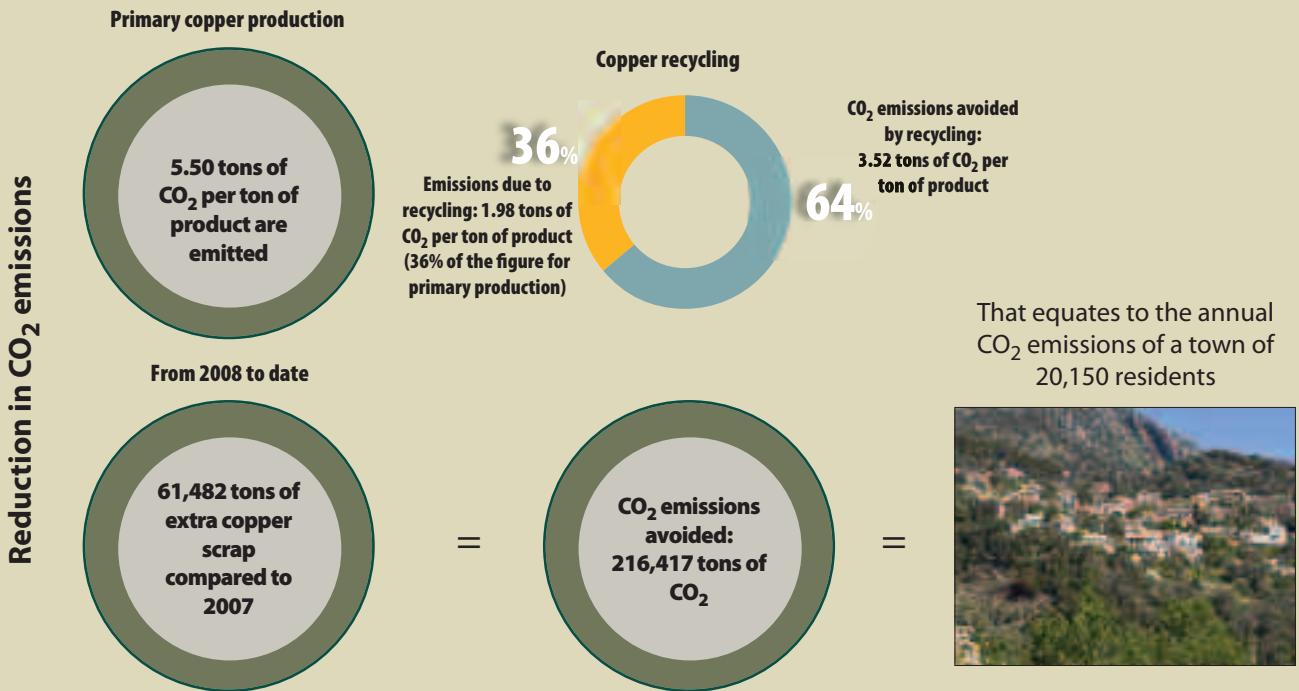
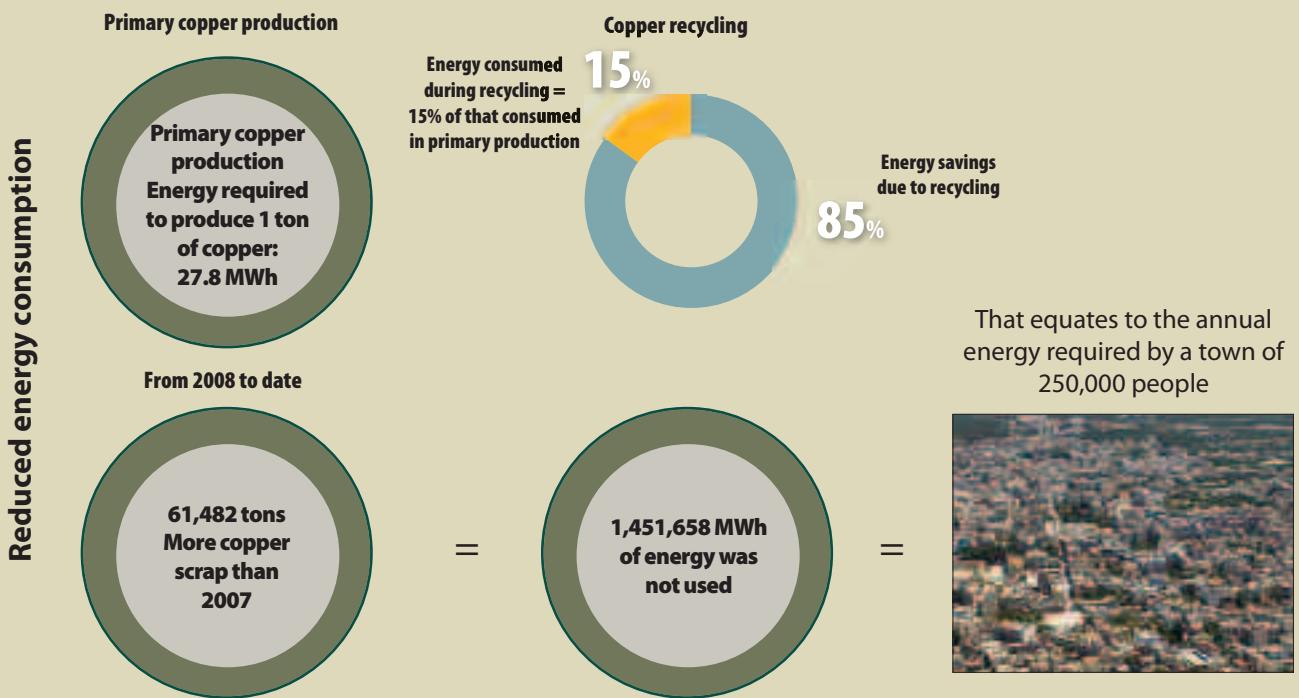




**Copper Recycling: Major environmental and economic benefits**

HALCOR promotes the recycling of metals, especially copper, and meets a large part of the copper needs by reusing used metals whose life cycle is completed (scrap metal).

From 2007 to 2013 HALCOR recycled large quantities of metal, making it Greece's largest recycler of copper and its alloys, thereby achieving a significant saving in natural resources and energy and a cost reduction. The use of third party scrap at HALCOR has significantly increased over recent years, from 19% in 2007 to 58% in 2013, resulting in a major drop in the Company's impact on the natural environment. The savings in energy compared to the amount required for primary production of the same quantity of copper are estimated at 1,451,658 MWh\* at least, which equates to the energy consumed each year by a town of 250,000 residents (computed using the EU average).



\* 100 GJ/tons is the quantity of energy required to produce 1 ton of primary copper. The energy saving is at least 85%.  
 $100 \text{ GJ/tons} \times 85\% \times 61,482 \text{ tons} = 5,225,970 \text{ GJ} \times 1\text{KWh}/0.0036\text{GJ} = 1,451,658,333 \text{ KWh} = 1,451,658 \text{ MWh} (1\text{KWh} = 0.0036 \text{ GJ})$

Like all industries, it is essential for HALCOR to use various chemicals at its facilities during the production process. The use of chemicals is necessary to properly process metals. HALCOR always ensures that it strictly complies with the applicable legislation as regards the use and disposal of chemicals and takes additional measures to limit their use to absolutely necessary levels. All actions that HALCOR takes to ensure the proper use and management of substances, fully conform to the standards and requirements mentioned in the Safety Data Sheets (SDS) and relate to:

- storage in water-tight and secure areas, where necessary.
- user training in proper handling and prevention of leaks into the environment.
- conducting readiness drills in case of emergency.
- taking preventative measures to avoid chemical leaks.

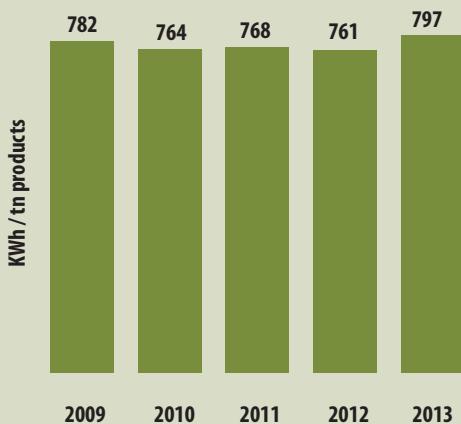
### 6.3.2 Energy Use

The Company uses energy (primary thermal energy from natural gas and oil) to cover its operational needs. A key objective for the Company is to reduce energy consumption where that is feasible, and to increasingly make more efficient use of energy.

#### Thermal Energy

Thermal energy consumption in 2013 stood at 58,909 MWh down almost 10% compared to 2012. However, this reduction was partially due to a drop in production and to a different product mix. The specific thermal energy consumption rate (consumption per product quantity) was 797 KWh per ton of product.

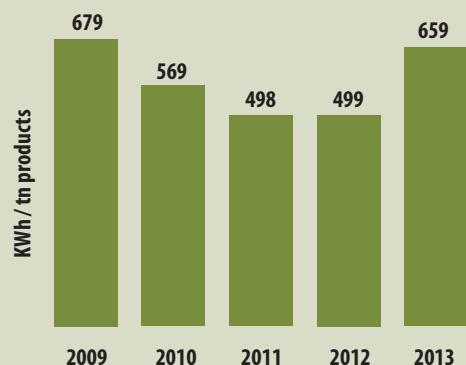
Specific Thermal Energy Consumption



#### Electricity

HALCOR's total indirect energy consumption comes from electricity which the Company procures from Public Power Corporation (PPC) S.A. In 2013 the specific electricity consumption rate was 659 kWh per ton of product, which was significantly higher than in 2012. This rise was primarily due to a different product mix.

Specific Electric Energy Consumption



The efficient use of energy is a key concern of HALCOR's since it is tied into both economic and environmental benefits. That is why the Company has taken a series of measures and steps to achieve energy savings and to increase efficiency.



### Electricity savings

HALCOR seeks to increase efficient energy use and has implemented investments and taken measures to achieve this. In 2013 production processes were re-engineered to achieve electricity savings. The savings generated by these measures equated to 295,857 kWh per year. The most important steps taken in this regard are outlined below.

Scope of change	Type of change (process re-engineering)	Energy savings/year
Induction furnace cooling pump	Automatically stops after being 4 hours out of use	25,400 kWh
Press container	Set point of 250°C for periods out of use lasting more than 48 hours and automatic preheating restart function	24,000 kWh
Tool press furnace	Automatically stops when out of use for period lasting more than 48 hours and automatic preheating restart function	8,000 kWh
Hydraulic units	Automatically stops after engine goes off	20,000 kWh
Air compressor	Smaller compressor used rather than a large one, with lower network pressure	144,000 kWh
Cooling towers	Cooling tower operations checked based on water temperature	70,000 kWh
PPC tariffs	Change in maximum tariff from 3,535 kW in the second half of 2012 to 3,089 kW in 2013	4,457 kWh

HALCOR also made certain changes to equipment or rebuilt certain pieces of equipment in 2013. For example, it replaced conventional light bulbs with LED lower wattage bulbs, resulting energy savings of 5,250 kWh/year.

In 2013 it also began to implement a series of changes (by re-engineering production processes) to save more energy which will be completed in 2014. These steps are outlined in the table below.

Scope of change	Type of change (process re-engineering)	Energy savings/year
Pump Room	Pumps automatically stop after engines stop and automatically come back on	52,000 kWh
Cooling pumps	Pumps stop automatically after operations cease	102,080 kWh

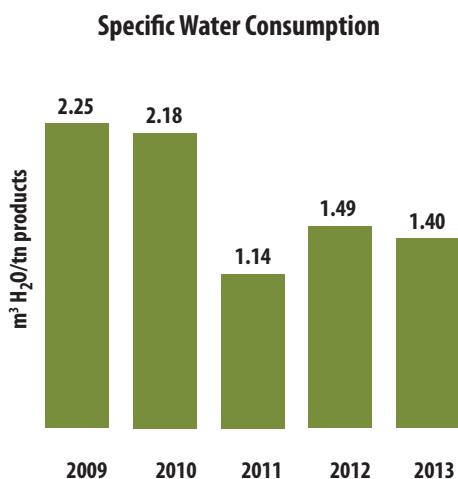
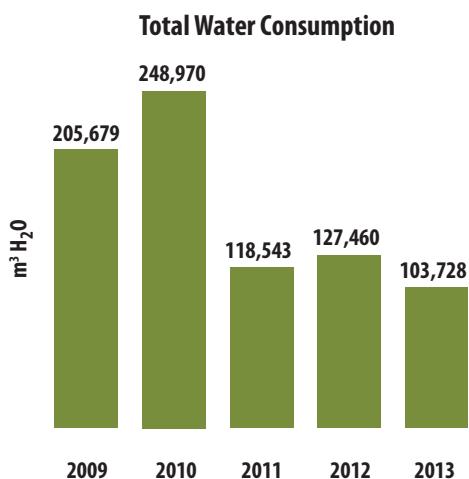
The measures taken to convert or rebuild pieces of equipment that commenced in 2013 which are expected to be completed in 2014 are listed below:

Scope of change	Type of change (process re-engineering)	Energy savings/year
Furnace bellows	Inverter installed capable to regulating air flow speed	189,000 kWh
Lighting	Light bulbs replaced with energy saving ones	500,000 kWh
Lighting	LED light bulbs changed from 250W to 100W ones	5,250 kWh

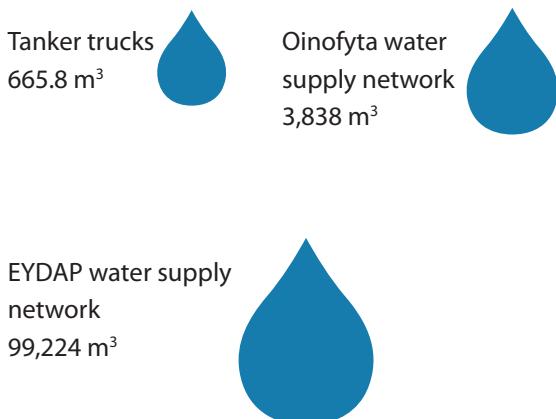
HALCOR seeks to continue its capital expenditure plan and its programme of changes to achieve greater electricity savings over the years to come.

### 6.3.3 Water Use

Water usage is essential in HALCOR's production processes. However, the Company acknowledges the importance of this natural resource and takes all the appropriate measures to efficiently use it and limit the quantities used to the absolute necessary. At the same time, where feasible it re-uses water and places particular emphasis on minimising wastewater disposal. In 2013 water usage was 103,728 m<sup>3</sup>, which reflects a significant 19% drop compared to water consumption in the previous year.



### Water consumption by source



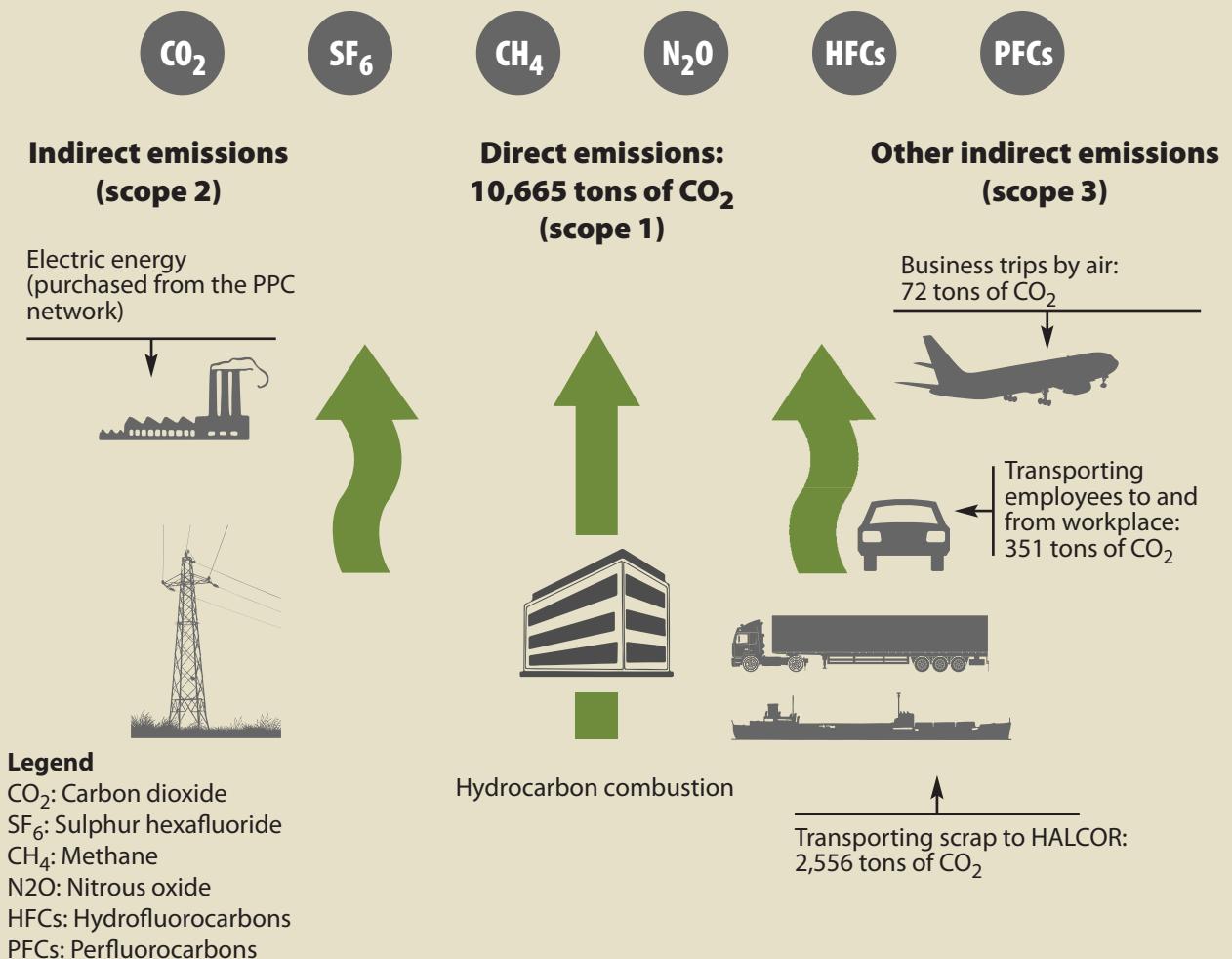


## 6.4 Air Emissions Management

HALCOR recognises the need to combat climate change and the importance of all of us striving together to achieve this goal. It is making continuous efforts to limit greenhouse gas emissions resulting from its operations. To achieve this it has taken a series of measures which are listed below:

- It uses fuels that emit fewer greenhouse gases per unit of energy generated, such as natural gas.
- It carries out frequent, appropriate maintenance and adjusts equipment to achieve optimal fuel usage and consequently fewer atmospheric pollutants.

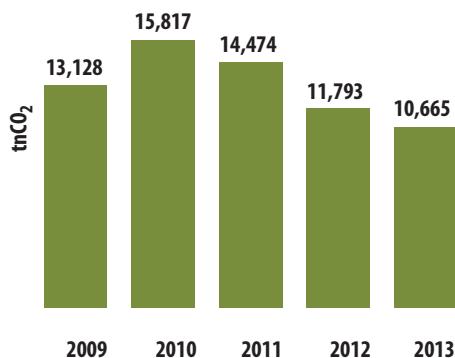
### Direct and Indirect Air Emissions



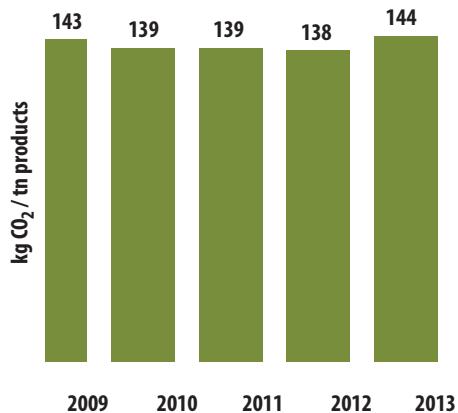
**Carbon dioxide (CO<sub>2</sub>)**

The main source of greenhouse gases is burning fossil fuels for heat in the production process and to power forklift trucks. Total direct emissions in 2013 stood at 10,665 tons of CO<sub>2</sub>, which reflects a drop compared to the previous year.

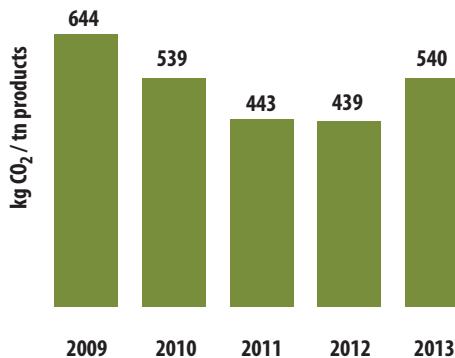
**Total Direct CO<sub>2</sub> Emissions**



**Specific Direct CO<sub>2</sub> Emissions**



**Specific Indirect CO<sub>2</sub> Emissions**



\* The percentage of direct emissions is computed using natural gas consumption in the production process and petrol used for transportation purposes. To compute indirect CO<sub>2</sub> emissions, a factor of 0.82kg CO<sub>2</sub>/kWh for 2013 was used.



### Other emissions (NO<sub>x</sub>, VOCs)

During its production process HALCOR emits nitrogen oxides (NO<sub>x</sub>) and volatile organic compounds (VOCs). The Company monitors and suitably manages these emissions with the goal of ensuring the least possible deterioration of the air.

In 2013, total emissions of:

- NO<sub>x</sub> stood at 8 tons, which reflects a significant drop of around 10% compared to the previous year.
- VOCs stood at 143.6 tons, reflecting a 22.9% drop compared to 2012.

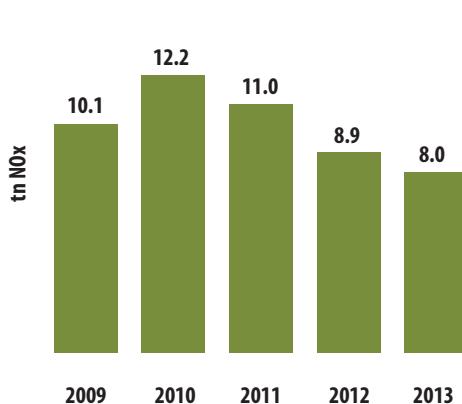
### Monitoring and measures to reduce emissions

To constantly monitor the emission levels of solid particulates, the Company has installed a system to constantly measure suspended solid particulates on the flues from furnaces at its recycling plant and foundry.

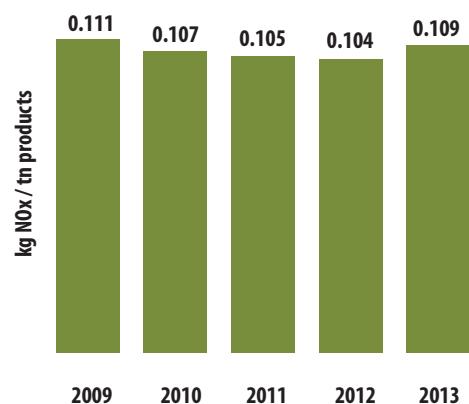
To date the measurements taken do not indicate any overrun of permissible limits specified in the relevant national laws, or the facilities' environmental terms and conditions.

Compliance with emission limits is achieved by implementing Best Available Techniques like the use of sack filters to deal with particulate emissions and active carbon filters to deal with VOC emissions.

**Total NO<sub>x</sub> Emissions**



**Specific NO<sub>x</sub> Emissions**



### Transport emissions

Both the nature of the Company's activities and the location of its production plant require personnel to travel there and that raw materials be taken to and products taken from the production plants. HALCOR seeks to minimise the number of journeys required to the bare minimum. To achieve that it has taken the following steps:

- teleconference systems have been installed and are used to communicate with customers and associates abroad.
- employees are provided with accommodation in the local area.
- staff is transported using company buses.
- staff is recruited from the local community.

In 2013 CO<sub>2</sub> emissions from transporting scrap to HALCOR by ship and by road were estimated at 2,556 tons of CO<sub>2</sub>. Emissions from business trips by air that HALCOR's staff carried out resulted in 72 tons of CO<sub>2</sub> being emitted, and the emissions from transporting employees to and from the workplace were 351 tons of CO<sub>2</sub>.

### Other impacts

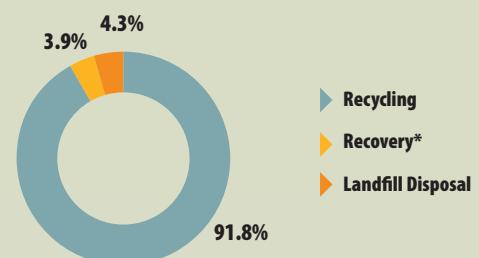
In addition to emitting gases to the atmosphere, the act of transporting raw materials, products and employees also has certain other limited impacts on the environment. These impacts and the measures taken to manage them are presented in Annex I.

## 6.5 Waste Management

HALCOR takes steps to manage the waste generated as a result of its production processes by acting in full compliance with the relevant legislation. At the same time by implementing an Environmental Management System and by constantly striving to improve its environmental performance, HALCOR seeks to go beyond the requirements laid down by law, in order to ensure optimum environmental protection.

A specific waste management procedure is implemented, whose objective is to reduce the volume of waste generated. Best practices for recycling, reuse and recovery are then employed. Most of the waste generated is recycled or recovered to generate energy. As it is clear from the diagram below, only a small portion of the waste ends up in landfill sites, thereby minimising the Company's impact on the natural environment.

**Waste Management Method**



\*Recovery (energy or other form of recovery)

HALCOR:

- fully complies with the applicable legislation
- takes additional measures to further reduce the volume of waste generated
- has a contract with all alternative waste management schemes established under Law 2939/2001 for the waste it generates.



In 2013 the specific waste generation rate was 18.2 kg/ton of product for the recycling plant and foundry, down some 12.3% compared to the average for the 3-year period 2010-2012. Likewise, the specific waste generation rate for the copper tubes plant was 228 kg/ton, down 9.3% compared to the average for the 3-year period 2010-2012.

HALCOR has industrial wastewater treatment systems to suitably manage wastewater from its production processes. There are three wastewater treatment plants in operation, for primary treatment (sedimentation and oil removal – physical treatment) and/or chemical treatment (by regulating the pH level). By properly operating and maintaining this infrastructure, the Company ensures that the wastewater leaving its facilities complies with the provisions governing the disposal of wastewater to natural bodies of water.

In addition, each month HALCOR monitors treated waste environmental parameters (such as pH, BOD5, COD, total suspended solids, fats and oil- hydrocarbons, heavy metals, temperature, etc.) in line with the terms of its approved wastewater disposal licenses. In fact in 2013 HALCOR prepared and implemented a new procedure and inspection schedule and measure quality assurance schedule.

#### Expansion of the rainwater treatment plant

In 2013 HALCOR expanded its rainwater treatment plant to increase capacity. This now allows it to optimally treat rainwater.

#### OUR TARGETS FOR 2014



To install a closed circuit degreasing system for copper tubes .

To keep the number of hours of training at 2013 levels.

To complete the new sewerage network and procure suitable equipment to manage wastewater.

To replace light bulbs, install inverters and make further changes to procedures to save energy.

To achieve a 45% reduction in the use of solvents in the production process by 2015.

To replace all conventional light bulbs with energy-saving ones indoors at the Copper Tubes Production Plant by 2015.

To commence the process of recording the environmental impact from transporting employees and products by 2015.

To carry out a HALCOR product life cycle assessment by 2017.





**We diligently monitor customer needs and requirements, and are continuously improving the quality of products and services.**



**Overall customer satisfaction is up**



**11% of suppliers are local**



## Our approach



## We are focusing on key issues:

- Investments in R&D
- Providing top quality products and services
- Implementing a certified Quality Management System and ensuring that all our products have suitable certificates
- Promoting Sustainable Development throughout the entire supply chain
- Supporting local suppliers



## Our Commitment

- To ensure high levels of customer satisfaction.
- To ensure our products and services faithfully comply with the requirements of standards and have suitable certification.
- To implement and constantly improve our Quality Management System.
- To constantly train our staff to achieve the necessary levels of professional competence and expertise.

## 2013 IN SUMMARY



**822**  
Customers



**86%**  
Of domestic customers  
satisfied



**77%**  
Of foreign customers  
satisfied



**1,378**  
Suppliers



**51%**  
Of all metal procured  
was scrap



### 7.1 New Product Research and Development

HALCOR is dedicated to research, to developing innovative, cutting-edge products by constantly improving and developing, while also striving to meet all customer needs.

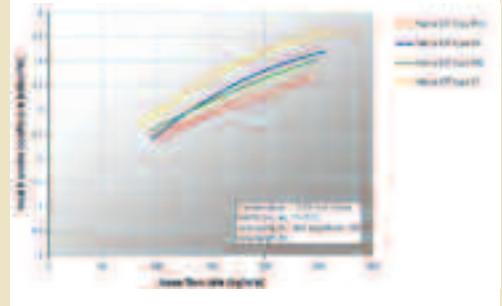
Coupled with its ongoing capital expenditure plan which is implemented each year to optimise production processes, HALCOR aims to check the quality of all products manufactured and to develop new products and applications for its product range.

**With the customer as a priority, all partnerships reflect our reliability, our respect for customers and the quality of our products and services.**

**At HALCOR we are systematically investing in research and technology, to promote innovation and generate new cutting-edge products.**

### Comprehensive services: New Inner Grooved Tubes (IGT) thermal performance testing lab

To provide as comprehensive a range of services to customers as possible and to make continuous improvements and developments in what it does, HALCOR has set up a new innovative lab to test the thermal performance of Inner Grooved Tubes (IGTs). The thermal performance testing lab allows the heat transfer coefficient of tubes intended for heat exchangers to be measured. The heat transfer coefficient is measured for HFC cooling fluids (like R410A, R134A and others) in the condensation and evaporation phase. It is also possible to measure pressure drops due to friction.



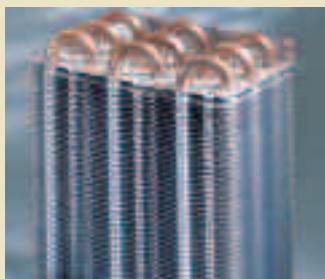
The purpose of the lab is:

- To measure / evaluate the different thermal performance rates of different IGT designs and shapes.
- To provide technical support to manufacturers of heat exchangers (air-conditioning units).
- To develop IGT designs for tailor-made applications depending on the specific needs and specifications of each and every customer.

Having set up this lab, HALCOR is now well poised to:

- accurately understand the key principles governing how heat exchangers behave depending on the different designs of IGTs.
- correlate the operating conditions of heat exchangers with corresponding lab conditions.
- tailor the design of IGTs to achieve the preferred performance targets set by manufacturers for the design of the heat exchanger.

The benefits of having this facility are particularly important for HALCOR and its customers, given the new range of services that can now be offered. It is worth noting that thanks to this new lab the tests to be carried out will result in the energy performance of IGTs being optimised, which will also have particularly encouraging effects on the environment. Using tubes with a high energy rating results in an overall improvement in the energy rating of new heat exchangers, resulting in reduced energy consumption and therefore fewer pollutant gases being emitted to the atmosphere.





## 7. Customer-Oriented Approach

HALCOR is an active member of the Hellenic Research Centre for Metals (ELKEME) to help it promote new technology R&D in the copper sector, product improvements and the achievement of cutting edge requirements. The Company is also a founding member of the Hellenic Copper Development Institute and is actively involved in its programmes, either by providing materials and space for seminars to be held, or by financing the running of specific programmes across all of Greece.

### Hellenic Research Centre for Metals (ELKEME)

The Centre's activities focus on developing new production technologies and on the use of steel, aluminium, copper and zinc products. HALCOR works in partnership with and collaborates with ELKEME. Its significant contribution to improving quality and its involvement in the development of innovative products and production processes has helped make HALCOR's products more competitive.

### Hellenic Copper Development Institute (HCDI)

The Hellenic Copper Development Institute's primary objective is to promote the latest developments that showcase the vital role copper has to play in the fields of the environment and health.

Through HCDI, which is a member of the European Copper Institute (ECI), HALCOR is actively involved in major research projects concerning copper's impact on human health and the environment. The results of this long-term research demonstrate the benefits of using copper and that it has neutral to positive impacts on man and the environment. HCDI also receives financing from and is supported by the not-for-profit International Copper Association (ICA), an international network of 24 copper centres.

One of the HCDI's most important objectives is to provide continuous, direct briefings to professionals who use copper. HCDI's partnership with HALCOR is just one of its activities designed to achieve this objective. In 2013 they jointly organised a special seminar on Andros island for plumbers and professionals from the sector.

The issues this seminar addressed were:

- how to install copper pipes.
- a commercial presentation of Cusmart and TALOS Solar copper pipes.
- Antimicrobial Copper - Properties / Applications.

The instructors from HALCOR and HCDI placed emphasis on copper's values, its quality and special features, like the fact that it requires zero maintenance and its low, competitive cost. Major emphasis was also placed on top class training for today's professionals in the sector and the certified products they need to use.



The HCDI training programme, which includes a competition for young plumbers / thermohydraulic engineers, was once again financed for the fifth consecutive year by HALCOR.

The competition takes place in Thessaloniki and was launched in early March and ended in mid-April 2013. The prizes went to students who did well in the thermohydraulic facilities competition. The competition aims to bring today's students and tomorrow's professionals who are still in training in the fields of thermohydraulics, cooling systems and natural gas, closer to copper materials and the applications of copper products.

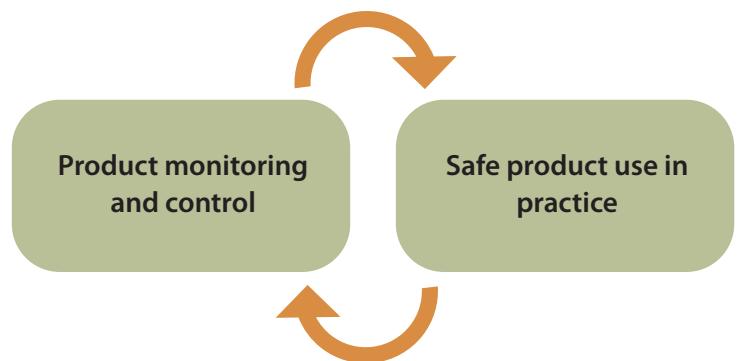
This complements HCDI's overall activities in the field of training secondary school pupils and meets the needs schools have for technically flawless, well-organised training for their pupils, while also conveying know-how about proper hydraulic facilities to tomorrow's professionals in the sector.

The aim is to bring those competing into an environment and conditions similar to those in which they would find themselves working in the future, to be able to showcase their skills and experience by working copper in the most professional way possible.



## 7.2 Outstanding product quality

For HALCOR, ensuring quality products is a strategic choice, a competitive advantage, and a matter of business responsibility. The Company is particularly focused on the quality of the products it manufactures, and that is why it implements a well-designed, cutting-edge Quality Management System tailored to its own needs, and certified in line with the requirements of the ISO 9001:2008 standard. During all stages of production, strict, in-depth checks are carried out by specialised, highly trained staff, to ensure the top quality of our products. Quality control procedures at HALCOR are verified both by frequent customer inspections and audits carried out by independent Greek and international certification bodies.



**HALCOR holds a leading place in the European and global market because of the top quality of its products and services.**



HALCOR carries out continuous checks to ensure that its products conform to performance criteria specified in the requirements of international standards, order specifications and customer requirements.

#### **Product monitoring and controls**

- ▶ Checks of all incoming materials (qualitative and quantitative checks)
- ▶ Regular checks are carried out during production (based on specific procedures for which there are detailed work instructions).

#### **Safe product use in practice**

- ▶ A Safety Data Sheet (SDS) is issued to brief end recipients.
- ▶ Info-sheets are prepared and published containing all information relevant to optimum operating conditions for the products manufactured.
- ▶ Manuals are also provided which contain the warranties the Company offers (for water supply and natural gas pipes).

*All checks and controls are recorded in measurement and testing logs and records are kept to ensure product reliability even after long-term use.*



The Company systematically checks how its products interact with user health and safety, since its products are frequently used in important applications such as water supply pipes. In all events, copper's physical properties help protect the health of end users since it has major antimicrobial properties.

All Company products come with quality marks, confirming that exacting specifications have been complied with. HALCOR has recently been granted the right to use the quality marks for its products provided by the Czech Republic (SZU), Holland (ATA) and VIK (Croatia) for water supply tubes. This is an important condition for marketing its products in those markets.

CERTIFICATION	COUNTRY	MARK	CERTIFICATION	COUNTRY	MARK
GREDEC	ALGERIA		AENOR	SPAIN	
AFNOR	FRANCE		VIK	CROATIA	
CSTB	FRANCE		ATA/KIWA	HOLLAND	
CU	GERMANY		KIWA	HOLLAND	
DVGW	GERMANY		KIWA/GASTEC	HOLLAND	
GL	GERMANY		GOST	RUSSIA	
TUV CERT	GERMANY		SETSCO	SINGAPORE	
CE	EUROPEAN UNION		SITAC	SWEDEN	
BSI	UNITED KINGDOM		SZU	CZECH REPUBLIC	
NSAI	IRELAND		VTT	FINLAND	
			NSF	USA	



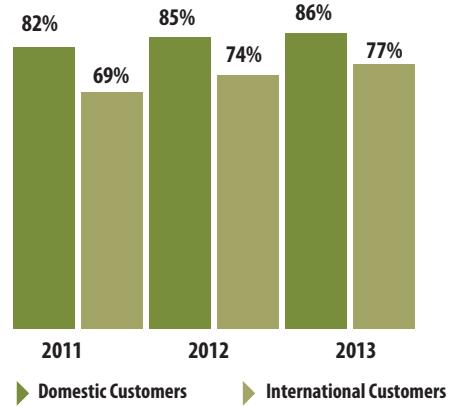
**7.3 Customer Satisfaction**

One of HALCOR's key concerns is to maintain and develop trust-based relationship with customers. The Company's customer-oriented philosophy emphasises response time to requests, and the comprehensive nature of the product support services offered.

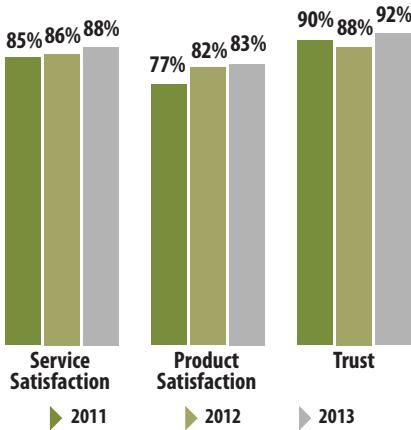
Customer satisfaction levels are recorded in a systematic, well-organised manner, via regular customer satisfaction surveys, and the results of surveys are evaluated and steps planned to achieve improvements, wherever that is considered necessary. As part of the Company's Quality Management System, HALCOR records and evaluates the views of customers, any complaints they have and also takes into account comments and proposals to achieve continuous improvements in the quality of its products and services.

For yet another year, overall customer satisfaction levels improved both for domestic and foreign customers, with the overall figures remaining high.

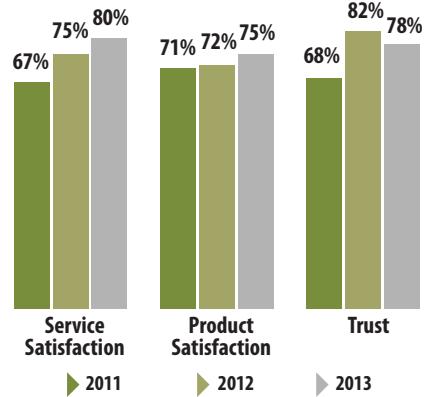
**Total HALCOR Customer Satisfaction (%)**



**Degree of Satisfaction Domestic Customers (%)**



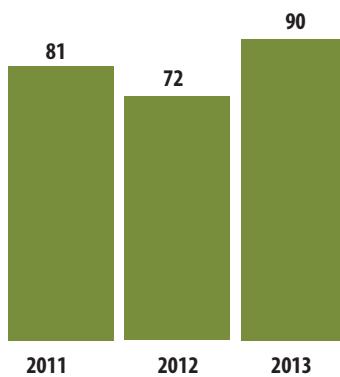
**Degree of Satisfaction International Customers (%)**



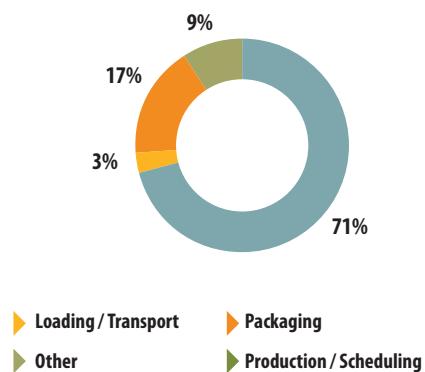
## 7.4 Complaint Management

As a company firmly focused on maximising levels of customer satisfaction, HALCOR treats complaints it may receive from customers as a source of information and an opportunity to improve, and also to potentially re-engineer processes if that is considered necessary. The Company manages complaints in a well organised manner, recording them and forwarding each complaint to the appropriate department. In 2013 HALCOR achieved a major improvement in response time to customer complaints, reflecting its ongoing endeavours to make improvements and the high level of customer satisfaction.

**Total Customers Complaints**



**Complaint Type / Category**



**We take account of customer complaints to achieve continuous improvements.**

- Following complaints about products sent by container where systematic damage was found to have been caused during unloading, the loading method was reviewed and steps were taken to provide additional protection for products against wear and tear. The customer was also notified about how to handle the products properly. The results of these steps taken by HALCOR were that complaints of this type stopped.
- Following complaints about the failure of plugs inserted into the end of straight pipes, checks were carried out on the quality of the material the plugs were made of, and the material was found to deviate from the specifications. A complaint was lodged with the supplier about failure to comply with specifications and the deviant materials were returned. The problem has not arisen since then.



### 7.5 Responsible Procurement

For HALCOR, its suppliers are key business partners, as the quality of materials and supplies is directly related to its products. Managing suppliers is a critical factor in the development of HALCOR and for that reason the Company implements specific procedures to manage its suppliers.

#### 7.5.1 Supplier Evaluation and Selection

In procurement:

- Specific procedures are followed that aim to ensure that specifications are complied with and that the quality of supplies and the end product are safeguarded.
- Policies are implemented to check the specifications of materials that are ordered and received. In cases of non-compliance suppliers are sent the results in the form of a complaint and the Company awaits improvements to be made.
- The Company, if necessary, takes part in trial production runs at its suppliers' facilities and evaluates the results.

**The supplier evaluation/selection criteria include environmental criteria, and corporate responsibility criteria, among others.**

#### 7.5.2 Suppliers and Environmental Management

HALCOR has begun promoting Corporate Responsibility practices in its supply chain. When evaluating suppliers we attach particular importance to compliance with an Environmental Management System that conforms to the ISO 14001:2004 standard. In certain cases, though, it is vital that suppliers have such a system in place. When certain materials are being ordered, it is vital that there is a certificate of compliance with the REACH Regulation and that the relevant Safety Data Sheets (SDS) are sent.

#### 7.5.3 Protecting the Health and Safety of Associates

HALCOR's concern for health and safety is not limited solely to its own people but also extends to its associates. The safety rules applicable to our employees are mandatory for contractors carrying out work at the Company's facilities. In order for the Company to be able to commence collaboration with any supplier it is an essential step that the contractor fills out and signs a special form in which it warrants that:

- Its people are insured with the relevant social security funds (detailed checks are then carried out so that HALCOR).
- It takes all necessary safety measures specified by law that are appropriate to the nature of the specific project being carried out.
- It complies with all the provisions of HALCOR's occupational Health and Safety regulations.

#### 7.5.4 Supporting local suppliers

The Company is always there for the local community and encourages the growth and development of the local market across the board in all areas where it operates. When evaluating potential suppliers, it views the fact that they come from the local area in a positive light, and wherever feasible collaborates with suppliers and contractors locally (from the wider

Evia and Viotia areas). Although the majority of items HALCOR procures are raw materials / metals that can only be procured from abroad, in 2013, 11.4% of the total procurement spend (total domestic purchases excl. metals) went on local suppliers.

Distribution of Suppliers 2013

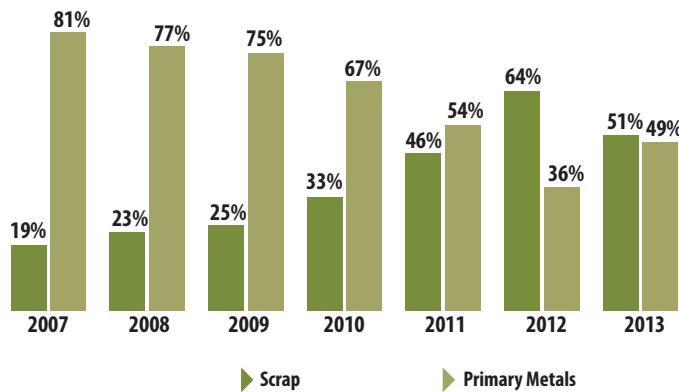


**7.5.5 Purchasing recyclables (scrap)**

HALCOR combines economic efficiency with environmental protection (by reducing the waste generated), preserves natural resources (by reducing the amount of raw materials used), and is using increasing quantities of scrap metals as raw materials. As a result, HALCOR has become Greece’s largest recycler of copper, zinc and their alloys.

**Scrap is an exceptionally useful secondary raw material with major environmental value.**

Scrap proportion to total metal purchases



**OUR TARGETS FOR 2014**



- \_\_\_\_\_ To develop new products and services.
- \_\_\_\_\_ To expand into new markets and increase the existing customer base.
- \_\_\_\_\_ To further expand the range of products which are certified.
- \_\_\_\_\_ To increase the amount of scrap purchased as a % of all metal procured.

### **About the Report**

By publishing the 2013 Corporate Responsibility and Sustainable Development Report HALCOR is seeking to provide a comprehensive picture of its performance and activities in the Corporate Responsibility and Sustainable Development sector in 2013 (the period 1.1.-31.12.2013) and its strategy for the forthcoming period. HALCOR's goal is to increasingly involve stakeholders. This publication presents the impact of the Company's business activities on the economy, the environment and society, to provide information to investors, shareholders, employees, customers, suppliers and other stakeholders and all persons interested in the Company or Corporate Responsibility and Sustainable Development issues.

The Company publishes its Corporate Responsibility and Sustainable Development Report each year. This is the sixth consecutive year in which the Report has been published. All HALCOR Corporate Responsibility and Sustainable Development Reports are available on the Company's website at <http://www.halcor.gr> under Corporate Responsibility / Corporate Responsibility and Sustainable Development Reports.

### **Scope and Boundary**

This Report covers all HALCOR S.A.'s activities relating to the Company's production facilities in Greece but it does not include data about its subsidiaries, suppliers or third parties. However, certain additional information relevant to the Group is mentioned at certain points. There have been no major changes relating to size, structure or ownership which affect the content of the Report. Where differences do exist, they are mentioned in the specific sections of this Report.

The Report covers the entire range of issues that relate to the Company's economic, environmental and social impact, but there is no specific restriction on the scope or boundary of the Report.

The 2013 Report provides summary information about two key subsidiaries of HALCOR (SOFIA MED S.A. and FITCO S.A.), however they have not been included in the scope of this Report. HALCOR's subsidiary HELLENIC CABLES S.A. has published its own separate Corporate Responsibility and Sustainable Development Report for the last five years which can be found on its own website, [www.cablel.com](http://www.cablel.com). The scope of the Report does not include information about possible acquisitions, sales, joint ventures or other such arrangements.

Compared to the previous Report, there have been no major changes in the scope or methods used to assess the data presented, which means that the ability to make year-on-year comparisons remains unaffected in the sectors presented. There have been no major revisions to the information presented, and where information from the previous year has been corrected, this is suitably highlighted.

### **Determining the content of the Report – Materiality**

In determining the issues to be included in the Report HALCOR followed the principles set out in the Global Reporting Initiative concerning the content of such reports and the principles relating to the quality of such reports.

**Principles used to determine content:**

- Materiality
- Stakeholder Engagement
- Sustainability
- Comprehensiveness

**Principles used to determine quality:**

- Balance
- Comparability
- Accuracy
- Timeliness
- Clarity
- Reliability

In relation to the principle of materiality in particular, HALCOR performed a special Materiality Analysis to identify key issues in relation to Corporate Responsibility and Sustainable Development arising from its operations. This procedure is repeated every year to capture any changes and to incorporate any new trends. In addition, at the start of 2014 specific steps were taken to have a representative group of stakeholders evaluate the key issues raised by the Company at a special workshop. Information about the verification procedure used is contained on p. 31.

*More information about the procedure followed and the conclusions it generated are set out in section 2.1 "Prioritising issues and actions".*

**Guidelines**

HALCOR's Corporate Responsibility and Sustainable Development Report for 2013 was prepared in accordance with the latest guidelines for Corporate Responsibility / Sustainability Reports issued by the international Organisation, Global Reporting Initiative (GRI - G3.1). The specifications in the ISO 26000 standard were also used. To gradually prepare for the report being drafted in line with the G4 issue of the GRI Methodology in the future, responses to certain selected G4 requirements have been included in this report.

**Methodology and project team**

The data and information presented in this Report have been collected on the basis of the Company's existing record-keeping procedures, as well as from files and databases maintained as part of various systems. In certain areas where processed data are presented, reference is made to the manner or method of calculation, while at the same time, all relevant GRI - G3.1 guidelines have been followed.

A special team of executives from all divisions and departments of HALCOR involved was formed to prepare the Report. The team's main task is to collect all information required pertaining to the Company's various Corporate Responsibility sectors.

The members of HALCOR's Corporate Responsibility Team who were involved in this report are:

- **Coordinator:** George Mavraganis
- **Departmental/ Divisional representatives – contributors:** Thalia Angelidi, Panagiotis Danamos, Katerina Kapeleri, Eftychios Kotsambasakis, Giorgos Samartzis, Dionysis Skarmoutsos, Vasilis Solidakis, Giorgos Tzortzos, and Spyros Hondrogiannis.



This 2013 Corporate Responsibility and Sustainable Development Report was prepared in cooperation with Action Public Relations Hellas Ltd. with the support and scientific guidance of the specialised consultants Giorgos Iliopoulos and Tania Takou in relation to data collection, evaluation and authoring.

### **External Verification**

HALCOR recognises the added value that external verification brings to the Report as it helps to increase the quality and integrity of its accountability in the eyes of its stakeholders. For that very reason, HALCOR opted to undergo external verification of the data included in the "Care for our People", "Occupational Health and Safety" and "Customer-Oriented Approach" sections of the Report in association with an independent external organisation. The conclusions drawn and comments made during this external verification process will be utilised by the Company to improve the quality of the Corporate Responsibility Reports it publishes. In light of this, in future it plans to expand the data verification practice to other sections of the Report.

The application level of GRI - G3.1 indicators to this report is set out on pages 118-119, along with the letter from the independent organisation which performed the verification.

### **Contact**

HALCOR welcomes any questions, enquiries, clarifications or suggestions for improvement, as the opinions of its stakeholders are very important to the Company.

#### **HALCOR S.A.**

**George Mavraganis**

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**[www.halcor.gr](http://www.halcor.gr)**



# ANNEXES



# ANNEX I - Key Corporate Responsibility Indicators

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## Customers

### Customers geographical distribution

Customer Categories	Europe	America	Asia	Africa	Total
Industrial Tubes Customers	75.9%	91.7%	91.9%	50.0%	77.5%
Installation Tubes Customers	24.1%	8.3%	8.1%	50.0%	22.5%

## Purchasing

### Number of Suppliers per category /origin

Supplier Category	2011	2012	2013
Local suppliers	118	130	145
National suppliers	990	880	877
International suppliers	313	334	315
Group Companies	52	49	41
Total	1,473	1,393	1,378
Suppliers from the local community (percentage)	8%	9%	11%

## Purchased materials

Categories	Type of material	Measurement unit	2011	2012	2013		
					Quantity / Volume	Presence in the final product	Non Renewable
Raw materials	Metals	Kg	n/a	n/a	58,088.224	√	n/a
	Metals	pieces	n/a	n/a	329,270	√	n/a
	Plastic	Kg	n/a	n/a	768,567	√	n/a
	Plastic	pieces	n/a	n/a	277,950	√	n/a
	Plastic	m	n/a	n/a	45,330	√	n/a
	Plastic	m <sup>2</sup>	n/a	n/a	2,750	√	n/a
Production related materials	Consumables	Kg	880,503.08	1,064,456.13	1,155,016	-	n/a
	Consumables	Lt	174,546.30	188,141.00	162,690	-	n/a
	Consumables	m <sup>3</sup>	4,670,568.07	4,194,670.20	4,210,644	-	n/a
	Consumables	pieces	72	12	24	-	n/a
	Fuel	Lt	250,069	224,657	189,060	-	n/a
	Fuel	m <sup>3</sup>	-	0	7,5	-	n/a
	Fuel	Nm <sup>3</sup>	6,817,937	5,492,572	4,996,117	-	n/a
	Fuel	Kg	27	-15,830*	100	-	n/a
Supporting materials or spare parts	Spare parts	Kg	102,256	126,530	139,798	-	n/a
	Spare parts	m	17,051.7	10,591.4	9,703	-	n/a
	Spare parts	m <sup>2</sup>	4	100	18	-	n/a
	Spare parts	set	247	158	378	-	n/a
	Spare parts	carton boxes	20	30	30	-	n/a
	Spare parts	pairs	4	0	8	-	n/a
	Spare parts	pieces	90,582	124,315	97,134	-	n/a
Packaging materials	Metal	pieces	5,400	0	-	-	n/a
	Metal	m	58,550	0	-	-	M/A
	Metal	Kg	29,151	29,368.5	32,038	√ (only 27,232)	n/a
	Wood	pieces	220,828	92,327	98,885	√	-
	Wood	m <sup>3</sup>	-	915.3	664	√	-
	Paper	Kg	22,785	21,048	27,121	√	-
	Paper	pieces	1,507,999	1,439,409	1,532,672	√	-
	Belts	pieces	261,697	205,680	232,017	√ (only 227,617)	n/a
	Plastic	Kg	207,334	182,094.4	187,524	√	n/a
	Plastic	m	59,438	63,000	47,350	√	n/a
	Plastic	Km	618	777	780	√	n/a
	Plastic	m <sup>2</sup>	-	1,752 204	6,486	√	n/a
	Plastic	m <sup>2</sup>	-	0	-	√	n/a
Plastic plugs	pieces	7,314,443	7,269,976	8,584,784	√	n/a	

n/a : The Company does not publish this information.

\* Return to Supplier

## Human Resources

### Human Resources data by Geographical sector and Gender Group

Geographical Sector	2012			2013		
	Men	Women	Total	Men	Women	Total
Attica	229	27	256	221	24	245
Greater Viotia and Evia Area	167	9	176	160	6	166
Rest of Greece	2	-	2	3	-	3

### Human Resources data by Geographical sector of Employment

Geographical Sector	2011	2012	2013
Attica	18	15	12
Greater Viotia and Evia Area	431	411	393
Rest of Greece	6	2	2
Other (relocation abroad)	12	6	7
<b>Total</b>	<b>467</b>	<b>434</b>	<b>414</b>

### Total employee hires by gender and age group

	18-25	26-40	41-50	51+
Men	-	2	1	1
Women	1	-	-	-
<b>Total</b>	<b>1</b>	<b>2</b>	<b>1</b>	<b>1</b>

### Total employee hires by geographical sector and age group (2013)

	18-25	26-40	41-50	51+
Attica	-	2	-	1
Greater Viotia and Evia Area	1	-	1	-
Rest of Greece	-	-	-	-
<b>Total</b>	<b>1</b>	<b>2</b>	<b>1</b>	<b>1</b>

### Total employee departures by gender and age group (2013)

	18-25	26-40	41-50	51+
Men	-	2	3	13
Women	1	4	2	-
<b>Total</b>	<b>1</b>	<b>6</b>	<b>5</b>	<b>13</b>

## Environment

### Environmental Expenditures

Category	Category Environmental Expenditures (Euro)	2013
Prevention	Waste management by licensed contractors	196,338
	Support to Environmental Management Department and consulting services	177,932
	Monitoring environmental parameters	70,557
	New environmental infrastructure and anti-pollution systems	292,265
Emissions treatment	Maintenance and operation of environmental protection equipment	387,080
Remediation	Landscape improvement and maintenance	10,460

### Use of recyclables

Year	2011	2012	2013
Recycled metal consumption – percentage (without internal returns)	43%	56%	58%
Recycled metal – percentage (including internal returns)	54%	65%	67%

### Specific Thermal Energy Consumption per Production Plant

Specific Thermal Energy Consumption (kWh/tn products)	2011	2012	2013
HALCOR total thermal energy consumption	768	761	797
Recycling-Melting	496	446	435
Copper Tubes	388	377	370
Titanium-zinc Rolling	-	-	-
Compounds	1,512	1,359	1,367

### Direct energy consumption by type of fuel

Type of fuel	2011	2012	2013
Diesel (lt)	246,554	229,840	185,678
Natural Gas (Nm <sup>3</sup> )	6,826,706	5,492,610	4,996,117
LPG kg	500	-	-
<b>Total (GJ)</b>	<b>275,783</b>	<b>223,084</b>	<b>202,016</b>

**Specific electric energy consumption**

Year	2011	2012	2013
Specific electric energy consumption (KWh/tn product)	498	499	659

**Total direct CO<sub>2</sub> emissions**

Year	2011	2012	2013
Total direct CO <sub>2</sub> emissions (tn)	14,474	11,793	10,665

**Total Direct and Indirect CO<sub>2</sub> Emissions (kg/tn product)**

Total HALCOR	Direct Emissions			Indirect Emissions		
	2011	2012	2013	2011	2012	2013
Specific CO <sub>2</sub> Emissions (Kg/tn product)	139	138	144	443	439	540

**Total NOx Emissions**

Year	2011	2012	2013
NOx emissions (tn)	11.0	8.9	8.0

**Total Specific NOx Emissions**

Year	2011	2012	2013
Specific NOx Emissions (Kg/tn product)	0.105	0.104	0.109

**Water consumption (m<sup>3</sup>)**

Water Source	2011	2012	2013
EYDAP water supply network	113,614	120,124	99,224
Borehole/Well (Titanium-zinc rolling plant)	-	-	-
Oinofyta Water Supply Network	3,010	4,667	3,838
Water tanker trucks	1,919	2,669	665.8
<b>Total</b>	<b>118,543</b>	<b>127,460</b>	<b>103,728</b>

**Specific water consumption**

Year	2011	2012	2013
Specific water consumption (m <sup>3</sup> /tn product)	1.14	1.49	1.40

**Breakdown of waste by category and management method**

Waste	Category	Waste Management Method	Quantity (Kg)		
			2011	2012	2013
Mixed recyclables (scrap metal, metal packaging paper, wood, plastic)	solid	Recycling	12,550,868*	12,271,374*	11,667,513
Sewage sludge	solid	Recycling	-	-	-
Slag	solid	Recycling	808,720*	288,876*	509,486
Mixed materials	solid	Recovery	114,000	102,880	-
Waste	solid	Landfill disposal	132,160	552,460	587,270
Used oils	liquid	Recycling	310,010	375,509	288,364
Batteries	solid	Recycling	2,100	530	1,020
Filter dust	solid	Recycling	245,500	124,750	178,600
Emulsions	liquid	Recovery	575,820	627,740	498,900
Polluted absorbing materials	solid	Recovery	71,615	53,430	44,440
Fluorescent lamps	solid	Recycling	270	130	193
WEEE	solid	Recycling	8,160	2,670	4,130
Tires	solid	Recycling	9,560	4,360	2,700
<b>Total Waste</b>			<b>14,828,783*</b>	<b>14,279,959*</b>	<b>13,782,616</b>

\*Review due to incorrect register

**Breakdown of PPC's fuel compound (as provided by PPC at country's level. 12months, 12/2011-11/2012)**

Breakdown of production and interconnections	percentage %
Lignite	47.69%
Oil	8.20%
Natural gas	23.93%
Hydroelectrical	6.21%
Renewable Energy	10.55%
Interconnections	3.42%
<b>Total</b>	<b>100%</b>

### Environmental impacts by transferring raw materials, products and employees as well

Environmental impacts by transferring raw materials, products and employees as well	Significant Impact	Quantities	Measures against impacts
Energy consumption	Yes	The procedure for registering energy consumption in various types of transfer has begun.	See previous paragraph "Emissions"
CO <sub>2</sub> , NO <sub>x</sub> , SO <sub>x</sub> emissions	Yes	The procedure for registering emissions in various types of transfer has begun.	See previous paragraph "Emissions"
Waste due to certain chemical use for the vehicles (e.g. batteries, lubricants)	Non-significant	impact because of limited quantities and suitable management.	
Noise	Non-significant	impact because the noise levels are limited to road/sea transports as well.	
Chemical and oil leaks etc.	Non-significant	impact, no leak incidents have been reported.	

### Occupational Health and Safety

#### Number of Accidents

Plant	2011 <sup>(2)</sup>	2012	2013
Copper Tubes	1	4	11
Recycling - Melting	3	2	1
Titanium-zinc Rolling Plant <sup>(1)</sup>	0	0	0
<b>Total</b>	<b>4</b>	<b>6</b>	<b>12</b>

(1) Production has stopped since 01.01.2011.

(2) 2011 data do not include FITCO SA data. The company spun-off from HALCOR on 30/6/2010.

#### Number of near misses

Plant	2012	2013
Copper Tubes	20	15
Recycling - Melting	3	10
Titanium-zinc Rolling Plant <sup>(1)</sup>	0	0
<b>Total</b>	<b>23</b>	<b>25</b>

### Accident Frequency Rate

Plant	2011 <sup>(2)</sup>	2012	2013
Copper Tubes	1.1	4.8	13.6
Recycling - Melting	16.8	13.3	7.6
Titanium-zinc Rolling Plant <sup>(1)</sup>	0	0	0
<b>Total</b>	<b>3.6</b>	<b>5.9</b>	<b>12.4</b>

$$\text{Frequency Rate} = \frac{\text{number of accidents (LTI)} \times 10^6}{\text{number of manhours worked}}$$

### Accident Severity Rate

Plant	2011 <sup>(2)</sup>	2012	2013
Copper Tubes	3.4	12	78
Recycling - Melting	397	213	0 (45,765*)
Titanium-zinc Rolling Plant <sup>(1)</sup>	2,965	0	0
<b>Total</b>	<b>124</b>	<b>41</b>	<b>65</b> <b>(6,260*)</b>

\* Including the penalty on the lost man-days due to the fatal accident, based on VIOHALCO's national regulation (respectively to the international practice).

$$\text{Severity Rate} = \frac{\text{absence days due to incidents} \times 10^6}{\text{number of manhours worked}}$$

### Days Lost

Plant	2011 <sup>(2)</sup>	2012	2013
Copper Tubes	3	10	63
Recycling - Melting	71	32	0 (6,000*)
Titanium-zinc Rolling Plant <sup>(1)</sup>	64	0	0
<b>Total</b>	<b>138</b>	<b>42</b>	<b>63</b> <b>(6,063*)</b>

\* Including the penalty on the lost man-days due to the fatal accident, based on VIOHALCO's national regulation (respectively to the international practice).

**Manhours**

Plant	2011	2012	2013
Copper Tubes	878,755	828,957	807,842
Recycling - Melting	178,807	149,835	131,104
Titanium-zinc Rolling Plant	55,214	43,358*	29,206
<b>Total</b>	<b>1,112,776</b>	<b>1,022,150</b>	<b>968,152</b>

\* 21.848 hours of the Sales Department are included

**Occupational Health and Safety Indicators**

Indicators	2011 <sup>(2)</sup>	2012	2013
Incidents without lost days	7	2	5
Injury rate (IR)	0.7	1.2	2.5
Occupational disease rate (ODR)	0	0	0
Lost days rate (LDR)	25	8	13 (1,252*)
Absentee rate (AR)	198	66	104 (10,020*)

\* Including the penalty on the lost man-days due to the fatal accident, based on VIOHALCO's national regulation (respectively to the international practice).

$$\text{Injury rate (IR)} = \frac{\text{number of injuries} \times 200,000}{\text{number of manhours worked}}$$

$$\text{Occupational disease rate (ODR)} = \frac{\text{number of occupational diseases} \times 200,000}{\text{number of manhours worked}}$$

$$\text{Lost Days index (LDR)} = \frac{\text{Absence days due to accidents} \times 200,000}{\text{number of manhours worked}}$$

$$\text{Absence index (AR)} = \frac{\text{absence days due to accidents} \times 200,000}{\text{number of mandays worked}}$$

<b>Occupational Health and Safety Indicators – Contractors</b>	<b>2012</b>	<b>2013</b>
Total number of employees	67	63
Manhours	163,868	159,440
Total Health & Safety and Environment Training Hours	138	233
Total Accidents	2	0
Days Lost	72	0
Near Misses	4	0
Frequency Rate	12.2	0
Severity Rate	440	0

## Other information

### Responsible Communication

All HALCOR's promotional actions and advertising regarding its products are in full compliance with the applicable national legislation and regulations. The Company does not distribute products that are the subject of public consultation or disputes. Moreover, HALCOR has voluntarily committed itself to provide full and clear information by adopting the Hellenic Advertising and Communications Code: For more information see the 2012 Corporate Responsibility and Sustainable Development Report, p. 62.

### Assumptions used in Life Cycle Assessment calculations

In order to compute the amount of CO<sub>2</sub> released during various phases of a product's life cycle, the following data and assumptions were used:

- 1) As far as the level of CO<sub>2</sub> emitted in the first phase (i.e. from mining to primary production of copper, from 'cradle to gate') coefficients and data based on studies carried out by PE International AG were used.
- 2) The following assumptions were used in relation to transport of copper cathodes from the supplier's gate to HALCOR's gate (gate to gate):
  - The distance in km between international ports was computed based on the website <http://www.searates.com/reference/portdistance/> and an additional 20% was added as a safety margin.
  - The CO<sub>2</sub> emissions from merchant ships carrying containers: 15gr CO<sub>2</sub> / tons km (based on International Chamber of Shipping data)
  - An additional 20% was added to the distance in km by road as a safety margin.
  - Ship container capacity: 22 tons of copper / container
  - Distance from Piraeus to Oinofyta: 70 km
  - For transportation within Greece it was assumed that the average distance was 70 km.
  - Bulk copper: Shipment of 22 tons / container, 1 container per truck
  - Average CO<sub>2</sub> emissions by trucks carrying containers: 200 gr CO<sub>2</sub> / tons km (based on International Maritime Organisation data).
- 3) Transport of scrap copper to HALCOR: the CO<sub>2</sub> emissions quoted (2,556 tons of CO<sub>2</sub>) only relate to the quantities of scrap intended for HALCOR and not the quantities of scrap used to manufacture third party products.
- 4) The CO<sub>2</sub> emissions data for the phase at HALCOR facilities (smelting and casting of copper and manufacture of final copper products) is data measured by HALCOR and include the manufacture of unfinished products for third parties. The direct emissions for the smelting plant – foundry have been computed for all plant activities, and therefore include third party emissions as well (e.g. FITCO).

To compute the CO<sub>2</sub> released when transporting HALCOR's staff using hired coaches, it was assumed that the fuel consumption rate was 39lt/100km.

In order to compute the amount of CO<sub>2</sub> emitted by employee cars, the following data and assumptions were used:

- For CO<sub>2</sub> emissions from cars fuelled by petrol, it was assumed that CO<sub>2</sub> emissions were 2.3035 kg of CO<sub>2</sub>/lt.
- For CO<sub>2</sub> emissions from cars fuelled by diesel, it was assumed that CO<sub>2</sub> emissions were 2.6256 kg of CO<sub>2</sub>/lt.

To compute the CO<sub>2</sub> released by executives travelling abroad, the following data and assumptions were used:

- A rate of 115 gr CO<sub>2</sub>/passenger per km was used (based on data on the website [http://www.carbonindependent.org/sources\\_aviation.htm](http://www.carbonindependent.org/sources_aviation.htm))
- Distances between cities were computed 'as the crow flies' using the website [http://www.apostaseis.gr/loc\\_ap/apostaseis-se-eftheia.asp](http://www.apostaseis.gr/loc_ap/apostaseis-se-eftheia.asp)

## Annex II - GRI G3.1 and ISO 26000 Indicators Table

Following is the table which links the contents of the Corporate Responsibility and Sustainable Development Report 2013 with the GRI - G3.1 indicators and ISO 26000.

GRI Indicator	Description	ISO 26000	Notes / Section
1.1	Chairman's statement	6.2	Message from the Chairman of the Board of Directors
1.2	Description of key impacts, risks and opportunities	6.2	Message from the Chairman of the Board of Directors, Presentation of HALCOR Group, Presentation of HALCOR S.A section Strategic Priorities, section Copper Value Chain, section - Management of Responsible Operation Affairs, §1.1, §1.2, §1.3, §1.5, §1.7, §1.8, introduction section «2. Creating Value», §2.1, section «3. Communication with Stakeholders» - CSR Targets, chapter «4. Care for our People» Our Targets for 2014, Health and Safety Chapter 5 – Our Targets for 2014, chapter 6 Environmental Protection – Our Targets for 2014, chapter 7 Customer-Oriented – Our Targets for 2014, website www.halcor.gr – section Investor Relations / Corporate Presentations – Presentation May 2014 pages 15-16, Annual Financial Report 2013 - Annual Report of the Board of Directors - section «4.Main risks and uncertainties » pages 6-8
2.1	Name of the Company		«HALCOR S.A.»
2.2	Primary brands, products, and/or services		Presentation of HALCOR Group / Presentation of HALCOR S.A. Section «Products», §7.1, Website www.halcor.gr – Section Investor Relations / Corporate Presentations – May 2014 pages 7, 13.
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures	6.2	Presentation of HALCOR Group – Group Structure, Presentation of HALCOR S.A. – §1.3, §1.9, website www.halcor.gr - Section Investor Relations / Corporate Presentations – Presentation May 2013 pages 4-5, 8-9, 11, Annual Financial Report 2013 – Section VI Financial Notes - section 7 Operating Segments page 23.
2.4	Location of organization's headquarters.		Presentation of HALCOR S.A.
2.5	Countries where HALCOR operates		Presentation of HALCOR Group, HALCOR Group, Presentation of HALCOR S.A – Production Facilities, §1.9
2.6	Nature of ownership and legal form		Presentation of HALCOR S.A. – HALCOR Shareholder Structure
2.7	Markets served		Presentation of HALCOR Group – Group Sales, Presentation of HALCOR S.A., §1.9, Annex I – Customers – Customers geographical distribution, Website www.halcor.gr – section Investor Relations / Corporate Presentations – Presentation May 2014 pages 5, 8, 11, 14. The Company's sales are oriented primarily to wholesale clients-distributors rather than to retail end users.
2.8	Scale of HALCOR		Presentation of HALCOR Group – 2013 Data, Presentation of HALCOR S.A. – Production Facilities, §1.1, §1.9, § 4.1, Human Resources Data
2.9	Significant changes during the reporting period		There were no further significant changes during 2013. Annual Financial Report 2013 – Annual Report of the Board of Directors - pages 4-5.
2.10	Awards received in the reporting period		§1.6
3.1	Reporting period		1/1/2013 – 31/12/2013
3.2	Date of most recent previous report		Corporate Responsibility and Sustainable Development Report 2012
3.3	Reporting cycle		Annual
3.4	Contact point		About the Report
3.5	Process for defining report content		About the Report
3.6	Boundary of the report		The Report involves all activities of HALCOR in Greece (all total number of production units as these are referred to) (subsidiaries are not included) / About the Report
3.7	Specific limitations on the scope or boundary of the report		About the Report
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities		Full comparability. As in previous years, the Report does not include any data on subsidiaries / joint ventures / third parties. However, there is a brief report on the subsidiaries SOFIA MED S.A., and FITCO S.A. without altering the comparison of the years, since the data are not unified to the group's data but separately/ About the Report
3.9	Data measurement techniques and the bases of calculations		About the Report, § 4, §6.3.1, §6.4, Annex I- Other information – LCA calculations.
3.10	Explanation of the effect of any re-statements of information provided in earlier reports		There is no change (apart from the review mentioned in page 110)/ About the Report
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report		There is no change / About the Report
3.12	Table identifying the location of the Standard Disclosures in the report		Annex II - GRI Indicators Table
3.13	Policy and current practice with regard to seeking external assurance for the report	7.5.3	About the Report / Statement on the Level Check
4.1	Governance structure of the organization	6.2	§1.3, Annual Financial Report 2013 – Annual Report of the Board of Directors - Section 6 Corporate Governance – pages 14-18
4.2	Indicate whether the Chair of the highest governance body is also an executive officer	6.2	§1.3, Annual Financial Report 2013 – Annual Report of the Board of Directors - Section 6 Corporate Governance – pages 14-18
4.3	Number and gender of members of the highest governance body that are independent and/or non-executive members	6.2	§1.3, Annual Financial Report 2013 – Annual Report of the Board of Directors - Section 6 Corporate Governance – pages 14-18

GRI Indicator	Description	ISO 26000	Notes / Section
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body	6.2	HALCOR's CSR Report 2012 –page 46 The Company enforces an open-door policy, according to which Management is always willing to discuss issues concerning its human resources.
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives	6.2	HALCOR's CSR Report 2012 –page 46
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided	6.2	§1.4, Annual Financial Report 2013 – Annual Report of the Board of Directors – page 16
4.7	Process for determining the composition, qualifications, and expertise of the members of the highest governance body and its committees, including any consideration of gender and other indicators of diversity.	6.2	§1.3, HALCOR's CSR Report 2012 –pages 46–47, Annual Financial Report 2013 – Corporate Governance section, page 14. The selection criteria for the members of the Board of Directors and of its individual committees are irrelevant to gender, nationality or other indicators of diversity, preventing thus any eventual discrimination.
4.8	Internally developed statements of mission or values, codes of conduct, and values relevant to economic, environmental, and social performance	6.2	Presentation of HALCOR S.A. – Management of Corporate Responsibility Affairs §1.2, Introduction of Creating Value chapter 2, §2.1, §2.2, chapter 4 Care for our People – Our Commitment, chapter 5 Occupational Health & Safety - Our Commitment, chapter 6 Environment - Our Commitment, chapter 7 Customer-Oriented – Our Commitment
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental and social performance, including relevant risks and opportunities	6.2	Presentation of HALCOR S.A. – Management of Corporate Responsibility Affairs, §1.2, §1.3, §1.5, Introduction of Creating Value chapter 2, §2.1, §2.2, §5.1, §6.2, §7.2
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance	6.2	HALCOR's CSR Report 2012 –page 46, Annual Financial Report 2013 – Corporate Governance section pages 14
4.11	Explanation of whether and how the precautionary approach or value is addressed by the organization	6.2	§1.4, §1.5, §2.1, chapter 5 Occupational Health & Safety - Our Commitment, §5.1, chapter 6 Environment - Our Commitment, §6.2
4.12	Externally developed economic, environmental, and social charters, values, or other initiatives to which the organization subscribes or endorses	6.2	§1.7, §2.2, About the Report
4.13	Memberships in associations and/or national/international advocacy organizations	6.2	§1.7
4.14	List of stakeholder groups engaged by HALCOR	6.2	Chapter 3 Communication with Stakeholders
4.15	Basis for identification and selection of stakeholders with whom to engage	6.2	Chapter 3 Communication with Stakeholders / The process for defining the stakeholder groups (categorization and prioritization) is being reviewed every year by HALCOR's Corporate Responsibility Team.
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group	6.2	Chapter 3 Communication with Stakeholders
4.17	Key topics and concerns that have been raised through stakeholder engagement	6.2	§2.1, Chapter 3 Communication with Stakeholders
<b>Economic Performance Indicators</b>			
	Disclosure on Management Approach	6.2, 6.8	Presentation of HALCOR Group, Presentation of HALCOR S.A., Strategic Priorities, §1.1, §1.2, §1.3, §4.3, §4.5, §4.9, §7.5.4
EC1	Direct economic value generated and distributed	6.8, 6.8.3, 6.8.7, 6.8.9	§1.1
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	6.5.5	No significant Financial implications on the business activities of the Company have been identified or other risks and opportunities for the organization's activities due to climate change / §1.5, – HALCOR's CSR Report 2012 –pages 49-50
EC3	Coverage of the organization's defined benefit plan obligations		HALCOR covers insurance expenses for all employees as defined by the law. Retiring employees receive retirement by relevant governmental authorities. Furthermore, according to the company's policy, the ability to voluntarily participate in a saving program is provided along with the company's support by offering twice the employees' deposited amount. Annual Financial Report 2013 – FY 2013 Financial Report (HALCOR Group and Company) pages 45–46, §4.5
EC4	Significant financial assistance received from government		No significant financial assistance was received by governmental organizations during 2013 (Annual Financial Report 2013 – FY 2013 Financial Report (HALCOR Group and Company) page 47 §27 (financial assistance)
EC5	Range of ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation.	6.4.4, 6.8	The Company observes and applies the national, collective profession-related labour agreements. There is no differentiation in employees remuneration based on sex. HALCOR respects and supports equality between men and women.
EC6	Policy, practices, and proportion of spending on locally-based n suppliers at significant locations of operatio	6.6.6, 6.8, 6.8.5, 6.8.7	§7.5.4, Annex I: Purchasing – Our Performance

GRI Indicator	Description	ISO 26000	Notes / Section
EC7	Procedures for local hiring and proportion of senior management hired from the local community at locations of significant operation	6.8, 6.8.5, 6.8.7	\$4.1, Annex I: Human Resources – Our Performance. In 2013, 5 of the new hired employees came from the local community (1 executive and 2 office staff)
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in kind, or pro bono engagement	6.3.9, 6.8, 6.8.3, 6.8.4, 6.8.5, 6.8.6, 6.8.7, 6.8.9	\$4.8, \$4.9. So far there is no need for special studies in order to identify the local community's needs, since they are pinpointed through the communication and direct contact among the local authorities and associations.
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts.	6.3.9, 6.6.6, 6.6.7, 6.7.8, 6.8, 6.8.5, 6.8.6, 6.8.7, 6.8.9	HALCOR Group, Creating Value Chapter, \$1.1, \$4.1, \$4.8, \$4.9
<b>Environmental Performance Indicators</b>			
	Disclosure on Management Approach	6.2, 6.5	Introduction of Environment Chapter / \$6.1, \$6.2, \$6.3, \$3.4, \$6.5
EN1	Materials used by weight or volume	6.5, 6.5.4	\$6.3.1, Annex I – Purchasing
EN2	Percentage of materials used that are recycled input materials	6.5, 6.5.4	\$6.3.1, \$7.5.5, Annex I - Environment
EN3	Direct energy consumption by primary energy source	6.5, 6.5.4	\$6.3.2 /The total direct energy consumption results from non-renewable sources (as described in section 6.3.2)
EN4	Indirect energy consumption by primary source	6.5, 6.5.4	\$6.3.2 /The total indirect energy consumption results exclusively from electrical energy (as described in section 6.3.2)
EN5	Energy saved due to conservation and efficiency improvements	6.5, 6.5.4	\$6.3.2
EN6	Initiatives to provide energy-efficient or renewable energy based products and services	6.5, 6.5.4	\$7.1
EN7	Initiatives to reduce indirect energy consumptions and reductions achieved	6.5, 6.5.4	\$6.3.2
EN8	Total water withdrawal by source	6.5, 6.5.4	\$6.3.3, Annex I - Environment
EN9	Water sources significantly affected by withdrawal of water	6.5, 6.5.4	The company does not operate in protected areas and no water withdrawal from surface aquifers (e.g. rivers, lakes).
EN10	Percentage and total volume of water recycled and reused	6.5, 6.5.4	Water recycling is applied where feasible, however without being possible to have an exact measuring of the amount being recycled.
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	6.5, 6.5.6	The Company does not operate in or adjacent to protected areas
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas	6.5, 6.5.6	The Company does not operate in or adjacent to protected areas
EN13	Habitats protected or restored	6.5, 6.5.6	No habitat restoration plan has been developed.
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity	6.5, 6.5.6	There has been no negative impact on biodiversity, since the Company does not operate in or adjacent to protected areas
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk	6.5, 6.5.6	There has been no negative impact on IUCN Red List species and national conservation list species, since the Company does not operate in such areas
EN16	Total direct and indirect greenhouse gas emissions by weight	6.5, 6.5.5	\$6.3, \$6.4, Annex I - Environment
EN17	Other relevant indirect greenhouse gas emissions by weight	6.5, 6.5.5	\$6.3, \$6.4
EN18	Initiatives to reduce greenhouse gas emissions by weight	6.5, 6.5.5	\$6.3, \$6.3.1, \$6.4
EN19	Emissions of ozone-depleting substances by weight	6.5, 6.5.3	Not available
EN20	NOx, SOx, and other significant air emissions by type and weight	6.5, 6.5.3	\$6.4, Annex I - Environment
EN21	Total water discharge by quality and destination.	6.5, 6.5.3	\$6.5, Annex I - Environment
EN22	Total weight of waste by type and disposal method	6.5, 6.5.3	\$6.5, Annex I - Environment
EN23	Total number and volume of significant spills	6.5, 6.5.3	There were no spills
EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally	6.5, 6.5.3	Annex I – Environment – table 'Breakdown of waste by category and management method'. The Company does not operate in waste management sector. HALCOR fully complies with Law 2939/2001 and in its framework has contracts with all Alternative Waste Management Systems.
EN25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff	6.5, 6.5.4, 6.5.6	There have been no water discharges in protected areas. There has been no negative impact on biodiversity, since no operations in, or adjacent to, protected areas have been performed.
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation	6.5, 6.5.4, 6.6.6, 6.7.5	\$6.1, \$6.2, \$6.3, \$6.4, \$7.1, \$7.5.5, Annex I - Environment
EN27	Percentage of products sold and their packaging materials that are reclaimed by category	6.5, 6.5.4, 6.7.5	\$6.3, \$7.5.5, Annex I - Environment. Due to the nature of the Company's products, they are not reclaimed, however the Company uses extensive scrap which is metal recycling. During 2013, 67% of the total metals used, was scrap.
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non compliance with environmental laws and regulations	6.5	There were no fines

GRI Indicator	Description	ISO 26000	Notes / Section
EN29	Significant environmental impacts of transporting products and other goods and materials	6.5, 6.5.4, 6.6.6	6.4 - § Emissions from transportation, Annex I – Environment
EN30	Total environmental protection expenditures and investments by type	6.5	§6.2, Annex I – Environment - Investments and expenditure on environmental protection
<b>Labor Practices and Descent Work Performance Indicators</b>			
	Disclosure on Management Approach	6.2, 6.4, 6.3.10	Introduction of Human Resources chapter 4, §4.1, §4.2, §4.3, §4.4, §4.5, §4.6, §4.7, §4.8, §4.9, Introduction of Health and Safety Chapter 5, §5.1, §5.2, §5.4
LA1	Total workforce by employment type, employment contract, and region, broken down by gender.	6.4, 6.4.3	§4.1, Annex I Key Corporate Responsibility Performance Indicators: Human Resources
LA2	Total number and rate of new employee hires and employee turnover by age group, gender, and region	6.4, 6.4.3	§4.1, Annex I Key Corporate Responsibility Performance Indicators: Human Resources
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees by significant locations of operations	6.4, 6.4.3, 6.4.4	§4.5. Extra benefits are provided to employees with fix-term employment contract
LA15	Return to work and retention rates after parental leave, by gender		The Company provides parental leaves to all employees who already have child or are about to have one. In 2013, 2 female employees took the parental leave they were entitled to. All employees who receive such a leave continue working in the Company 12 months after they take this leave.
LA4	Percentage of employees covered by collective bargaining agreements	6.4, 6.4.3, 6.4.4, 6.4.5, 6.3.10	§4.7. Total employees of HACOR is covered by collective bargaining agreements
LA5	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements.	6.4, 6.4.3, 6.4.4, 6.4.5	The company has not established a specific minimum notice period. However, all legal restrictions are applied. Employees are informed directly by the Company's management for every important issue concerning the Company.
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advice on occupational health and safety programs.	6.4, 6.4.6	There is a Health and Safety Team which reviews annually Health Safety and Environment issues and the Company's Health, Safety Department reports directly to the BoD on relevant issues that may affect the employees.
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work related fatalities by region and by gender	6.4, 6.4.6	§5.4, Annex I Annex I Key Corporate Responsibility Performance Indicators: Health and Safety. The company's production facilities are located in Oinofyta Viotias. The total of workforce consists of men.
LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases	6.4, 6.4.6, 6.8, 6.8.3, 6.8.4, 6.8.8	§5.3
LA9	Health and safety topics covered in formal agreements with trade unions	6.4, 6.4.6	There are no relevant agreements-all legal restrictions are applied.
LA10	Average hours of training per year per employee by gender, and by employee category	6.4, 6.4.7	§4.4
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	6.4, 6.4.7, 6.8.5	§4.4
LA12	Percentage of employees receiving regular performance and career development reviews, by gender	6.4, 6.4.7	§4.2
LA13	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	6.3.7, 6.3.10, 6.4, 6.4.3	§4.1, §4.3. 22 employees of different nationalities (21 of them are male and 1 women). The members of the Board of Directors are of Greek nationality and do not belong in any minority group (ethnic minorities or disabled).
LA14	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation	6.3.7, 6.3.10, 6.4, 6.4.3, 6.4.4	§4.3. HALCOR does not approve remuneration discrimination or any other kind of discrimination. Salaries are equal for all similar positions. Therefore, women's salary is equal to men's for the same work positions.
<b>Human Rights Performance Indicators</b>			
	Disclosure on Management Approach	6.2, 6.3	§4.3, §4.7, §7.5.3
HR1	Percentage and total number of significant investment agreements and contracts that include clauses incorporating human rights concerns, or that have undergone human rights screening	6.3, 6.3.3, 6.3.5, 6.6.6	Not applicable to the Company's activities. So far, no relevant restrictions are included in investment agreements and contracts, since there is no association to the company's work.
HR2	Percentage of significant suppliers contractors, and other business partners that have undergone human rights screening, and actions taken	6.3, 6.3.3, 6.3.5, 6.4.3, 6.6.6	The Company performs thorough checks in order to ensure that all Contractors' employees working in HALCOR's facilities are insured in accordance with the provisions of the law. In 2013 the company ceased cooperating with a contractor who was inconsistent to his obligations to his employees and violated the agreement. §7.5.3
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained	6.3, 6.3.5	During 2013 no educational program took place since it was implemented in 2012 and all manager executives participated. HALCOR's CSR REPORT 2012 – page 74.

GRI Indicator	Description	ISO 26000	Notes / Section
HR4	Total number of incidents of discrimination and corrective actions taken	6.3, 6.3.6, 6.3.7, 6.3.10, 6.4.3	No incident / §4.3
HR5	Operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and actions taken to support these rights.	6.3, 6.3.3, 6.3.4, 6.3.5, 6.3.8, 6.3.10, 6.4.3, 6.4.5	The Company respects the law and acts in accordance with the relevant legislation. §4.7
HR6	Child labor	6.3, 6.3.3, 6.3.4, 6.3.5, 6.3.7, 6.3.10	There is no risk of child labor – The Company is against child labor, is complies with relevant legislation and implements control procedures of relevant documents during personnel hiring in order to ensure that no child labor occurs.
HR7	Forced and compulsory labor	6.3, 6.3.3, 6.3.4, 6.3.5, 6.3.7, 6.3.10	There is no risk of compulsory labor. The Company is against compulsory labor.
HR8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations	6.3, 6.3.5, 6.4.3, 6.6.6	During 2013 no educational program took place since it was implemented in 2012 and all manager executives participated and the security staff as well. HALCOR's security staff consists of 100% company's employees and no security staff from third parties is used. HALCOR's CSR REPORT 2012 – page 74.
HR9	Total number of incidents of violations involving rights of indigenous people	6.3, 6.3.6, 6.3.7, 6.3.8, 6.6.7	No incident of human rights violation of local people has been reported or recorded to date.
HR10	Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments		HALCOR S.A. - State-of-the-art productive facilities. No risk of human rights violations on the part of the Company has been identified. Therefore, it was not deemed necessary the elaboration of a relevant specialized study.
HR11	Number of grievances related to human rights filed, addressed and resolved through formal grievance mechanisms		There have been no complaints regarding the violation of human rights. It is considered that there is no such risk on the part of the Company. Therefore, the development of a relevant mechanism was not deemed necessary.
<b>Society Performance Indicators</b>			
	Disclosure on Management Approach	6.2, 6.6, 6.8	Introduction of Environment Chapter / 1.7, §1.1, §2.1, §3, §4.8, §4.9 §6.4, §6.5
S01	Percentage of operations with implemented local community engagement, impact assessments, and development programs	6.3.9, 6.8, 6.8.5, 6.8.7, 6.6.7	Collaboration programs with the local communities are applied the production area of the company (Oinofyta Viotias) and the wider area. §1.1, §2.1, §3, §4.8, §4.9. However, due to restricted and production activities impact no special study is considered necessary apart from the Environmental Impact Studies that are conducted according to the relevant legislation. The Company reviews the direct and indirect impacts towards local communities during business plans preparation.
S09	Operations with significant potential or actual negative impacts on local communities.	6.6, 6.6.3	There are no negative impacts to local communities. Through the Company's presence in the area, employment is offered in local level and local suppliers are supported. Chapter 1: Presentation of HALCOR S.A.– Production Facilities, §6.1, §6.2, §6.3 §6.4, §6.5
S010	Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities	6.6, 6.6.3	There are no negative impacts to local communities. Through the Company's presence in the area, employment is offered in local level and local suppliers are supported. Chapter 1: Presentation of HALCOR S.A.– Production Facilities, §6.1, §6.2, §6.3 §6.4, §6.5
S02	Percentage and total number of business units analyzed for risks related to corruption	6.6, 6.6.3	Annual Financial Report 2013 – Corporate Governance– pages 14-15. All business units are being systematically audited. There have been no incidents of corruption.
S03	Percentage of employees trained in organization's anti-corruption policies and procedures	6.6, 6.6.4, 6.8.3	All new employees are explicitly informed based on the company's Internal Regulation which includes relevant issues. Furthermore, in 2013 a new specialized seminar took place and 31 of the company's employees were trained (8,1% of employees) (17 senior executives and 14 office staff)
S04	Actions taken in response to incidents of corruption	6.6, 6.6.4, 6.8.3	There have been no incidents of corruption
S05	Public policy positions and participation in public policy development and lobbying	6.6, 6.6.5, 6.6.7	Energy cost: The company's positions on this particular issue are clear and are mentioned in unit 1.7
S06	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	6.6, 6.6.7, 6.8.7	The Company does not provide any financial or in-kind support to politicians and/or political parties
S07	Total number of legal actions for anticompetitive behavior, anti-trust, and monopoly practices and their outcomes	6.3.9, 6.8, 6.8.5, 6.8.7, 6.6.7	There have been no legal actions in 2013
S08	Monetary value of significant fines and total number of non-monetary sanctions for non compliance with laws and regulations	6.3.9, 6.8, 6.8.5, 6.8.7, 6.6.7	There have been no incidents of non-compliance in 2013

GRI Indicator	Description	ISO 26000	Notes / Section
<b>Product Responsibility Performance Indicators</b>			
	Disclosure on Management Approach	6.2, 6.6, 6.7	\$1.8, \$7.1, \$7.2, \$7.3, \$7.4
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement	6.3.9, 6.6.6, 6.7, 6.7.4, 6.7.5	Copper has a positive impact on Health and Safety of the Users and therefore, the company develops products with suitable applications. \$1.8, \$7.1, \$7.2
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes	6.3.9, 6.6.6, 6.7, 6.7.4, 6.7.5	There have been no incidents of non compliance
PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements	6.7, 6.7.3, 6.7.4, 6.7.5, 6.7.6, 6.7.9	All products are accompanied with the appropriate documents, signs and quality labels according with relevant regulation and/or law. / \$7.2
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes	6.7, 6.7.3, 6.7.4, 6.7.5, 6.7.6, 6.7.9	There have been no incidents of non compliance
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction	6.7, 6.7.4, 6.7.5, 6.7.6, 6.7.8, 6.7.9	\$7.3, \$7.4
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	6.7, 6.7.3, 6.7.6, 6.7.9	Annex I – Other Information § Responsible Communications
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes	6.7, 6.7.3, 6.7.6, 6.7.9	There have been no incidents of non compliance
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	6.7, 6.7.7	There have been no complaints
PR9	Monetary value of significant fines for non compliance with laws and regulations concerning the provision and use of products and services	6.7, 6.7.6	There have been no administrative or judicial sanctions

n/a: Non available

The photographs in this Report were taken by the photographers Spyros Haraktinos and Simon Pitsillidis.



The paper this Report was printed on was produced from FSC forests and plantations and contains 60% recycled paper pulp.

### GRI Indicator Application Level in the Report

HALCOR has met the requirements of application level B in version G3.1 of the Global Reporting Initiative guidelines in this Corporate Responsibility and Sustainable Development Report.

In order to improve the quality of its accountability and transparency, HALCOR assigned an external verification body the task of checking the application level for the Global Reporting Initiative Guidelines (B+). The external verification body's statement is set out below.

Report Application Level	C	C+	B	B+	A	A+
<b>G3 Profile Disclosures</b> output	Report on: 1.1 2.1-2.11 3.1-3.6, 3.10-3.13 4.1-4.6, 4.14-4.19		Report on all criteria listed for Level C plus: 1.2 3.8, 3.13 4.7-4.11, 4.16-4.17		Same as requirements for Level B	
<b>G3 Management Approach Disclosures</b> output	Not Required		Management Approach Disclosures for each In-Scope Category	Report Externally Assured	Management Approach Disclosures for each Indicator Category	Report Externally Assured
<b>G3 Performance Indicators &amp; Sector Supplement Performance Indicators</b> output	Report on a minimum of 10 Performance Indicators, including at least one from each of: Economic, Social and (Environmental)	Report Externally Assured	Report on a minimum of 20 Performance Indicators, at least one from each of: Economic, Environmental, Human rights, Labor, Society, Product Responsibility.	Report Externally Assured	Report on each one (G) and (Sector Supplement*) Indicators with due regard to the Materiality Principle by either: (a) reporting on the Indicator or (b) explaining the reason for its omission.	Report Externally Assured

\*Sector supplement Indicators

# Independent Assurance Statement

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## Information on the Assurance Statement

The Assurance Provider TÜV AUSTRIA HELLAS ('the Provider') has been engaged to provide external assurance on the disclosures published in the Sustainability Report 2013 ('the Report') of HALCOR S.A. ('the Company'). The Company is exclusively responsible for the data and information within the Report. The assurance process was conducted by the Provider in terms of sample-based audits of data and information as well as audits of data collection systems and procedures.



The Provider has not offered any consulting services to the Company, apart from the audit of Management Systems.

## Scope of Assurance

Ο Φορέας διενήργησε τις ακόλουθες εργασίες κατά το μήνα Μάιο 2014:

1. Data checks for the Report's chapters under the title "Human Resources", "Health & Safety" and "Client-oriented Approach".
2. Visits in the Company's factory for production of copper tubes and the foundry on the 5th and 6th of May 2014, for the implementation of verification and sampling inspections of files in order to evaluate:
  - the reliability and accuracy of performance indicators of the Sustainability Report
  - the processes for generating, gathering and managing information included in the Report.

## Conclusions

During the assurance engagement, it was confirmed that the data and information of the above-mentioned chapters are accurate and reliable. The accuracy of the disclosed statements and assertions was found to be within acceptable limits. The Company provided a comprehensive and proper presentation of performance on the basis of reasonably documented information as well as that there is an effective data gathering, management and reporting system in place for issues which pertain to sustainable development.

## Opportunities for Improvement

Based on the observations and concluding remarks derived from the assurance engagement, the Provider's recommendations for the improvement of the Company's future Sustainability Reports are as follows:

- ☞ Assurance of additional chapters in order to extend the report's validity.
- ☞ Assurance of the Report's qualitative information too.
- ☞ Preparation of the company for the adaptation of its Sustainability Report for the year 2014 to the requirements of the GRI-G4 framework.

On behalf of TÜV AUSTRIA HELLAS,  
Athens the 15th of May 2014

Sifakis Nikolaos  
Lead Auditor



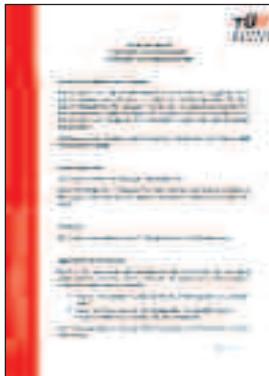
Kallias Yiannis  
General Manager

### Information on the Level Check Statement

The Assurance Provider TÜV AUSTRIA HELLAS ('the Provider') has been engaged to provide external assurance on the disclosures published in the Sustainability Report 2013 ('the Report') of HALCOR S.A. ('the Company'). The Company is exclusively responsible for the data and information within the Report. The assurance process was conducted by the Provider in terms of inspection of data and information, as well as data collection systems and procedures.



The Provider has not offered any consulting services to the Company, apart from the audit of Management Systems.



### Scope of Level Check

The Provider undertook the following task during May 2014:

Review of the Report's content against the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines G3.1 and confirmation of the application level (GRI Application Level Check).

### Conclusions

The Provider concurs that the criteria for GRI Application Level 'B+' have been met.

### Opportunities for Improvement

Based on the observations and concluding remarks derived from the level check engagement, the Provider's recommendation for the improvement of the Company's future Sustainability Reports is as follows:

- ☞ Provision of information for additional GRI G3.1 indicators in order to accomplish Level A.
- ☞ Preparation of the company for the adaptation of its Sustainability Report for the year 2014 to the requirements of the GRI-G4 framework.

On behalf of TÜV AUSTRIA HELLAS,  
Athens the 15th of May 2014

Sifakis Nikolaos  
Lead Auditor



Kallias Yiannis  
General Manager

# Corporate Responsibility and Sustainable Development Report Feedback Form

HALCOR strives to maintain an open, transparent and two-way dialogue with those who are interested in its activities. Please fill out the questionnaire below to record your views about the HALCOR 2013 Corporate Responsibility and Sustainable Development Report, or express any concerns or issues you identified during your collaboration with HALCOR. This will actively assist us in our attempt to improve our performance ratings and the annual Corporate Responsibility and Sustainable Development Report.

**What HALCOR stakeholder group do you belong to?**

- Employee
- Shareholder / Investor
- Customer
- Supplier
- Other:
- Local Community
- Non-governmental organisation
- Public/Statutory body
- Mass Media

**Please evaluate the content and quality of this report on the basis of the following criteria:**

CRITERIA / FEATURES	Excellent	Very Good	Satisfactory	Needs Improvement
In your opinion, did the Company's Corporate Responsibility Report include sufficient information to enable you to gain an overall picture of its actions?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Data comparability	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Data transparency	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Balance between sections	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Corporate Responsibility targets	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Actions under each area of Corporate Responsibility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Reference to international standards and systems	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ability to find information of interest to you	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Visual illustrations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Which of the following sections of the report were most useful and important in addressing the information that interests you with regard to HALCOR?**

REPORT SECTIONS	Very useful	Needs improvement
Message from management	<input type="checkbox"/>	<input type="checkbox"/>
Presentation of HALCOR Group	<input type="checkbox"/>	<input type="checkbox"/>
HALCOR S.A. Profile	<input type="checkbox"/>	<input type="checkbox"/>
Creating Value	<input type="checkbox"/>	<input type="checkbox"/>
Stakeholder Engagement	<input type="checkbox"/>	<input type="checkbox"/>
Care for our People	<input type="checkbox"/>	<input type="checkbox"/>
Occupational Health and Safety	<input type="checkbox"/>	<input type="checkbox"/>
Environment	<input type="checkbox"/>	<input type="checkbox"/>
Customer-Oriented Approach	<input type="checkbox"/>	<input type="checkbox"/>
GRI and ISO 26000 indicators table	<input type="checkbox"/>	<input type="checkbox"/>



## Corporate Responsibility and Sustainable Development Report Feedback Form

**In your opinion, did HALCOR's Corporate Responsibility Report include sufficient information to enable you to gain an overall picture of its actions?**

Yes  No  Needs improvement

Is there any information or data about the Company that you looked for but could not find in the report? Please explain:.....

.....

Please describe basic concerns or issues you have identified during your cooperation with the Company which you wish to communicate. ....

.....

What actions do you suggest the Company should take to respond to your concerns? .....

.....

### **Personal details (optional):**

Name-surname: .....

Company / Organisation: .....

Address: .....

Tel./Fax: .....E-mail: .....

### **Please send the completed form to the address below:**

HALCOR, attn. G. Mavraganis, Strategic Planning and Corporate Responsibility Manager

57th km Athens-Lamia National Road, GR-32011, Oinofyta, Viotia, Greece

e-mail: [csr@halcor.vionet.gr](mailto:csr@halcor.vionet.gr)

or by fax to +30 22620 48910

All data submitted on this form will be used exclusively for internal assessment by the Strategic Planning Division of HALCOR which is responsible for and Corporate Responsibility issues. Personal data is protected in the manner laid down by the privacy legislation.

### **Contact details:**

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- Exports Department, Industrial Copper Tubes - [industrial@halcor.vionet.gr](mailto:industrial@halcor.vionet.gr)
- Marketing Department - [marketing@halcor.vionet.gr](mailto:marketing@halcor.vionet.gr)
- Supply Chain Department - [supplychain@halcor.vionet.gr](mailto:supplychain@halcor.vionet.gr)
- HR Division - [hr@halcor.vionet.gr](mailto:hr@halcor.vionet.gr)



# Annual Report 2013



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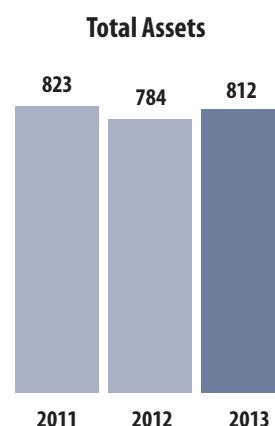
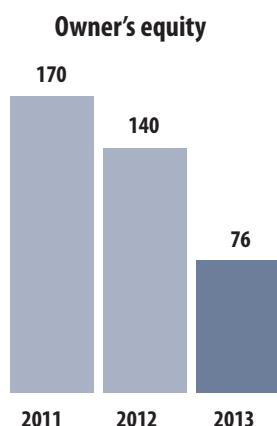
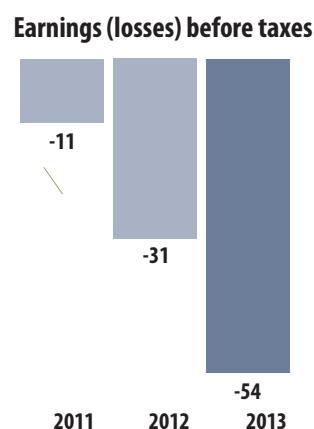
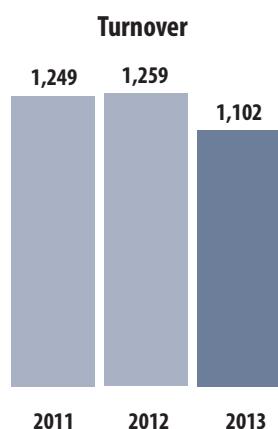
*In case of any discrepancy, the Greek text shall prevail.*

# 2013 at a glance

## Activities

- The HALCOR Group represents the copper, copper and zinc alloy product and cable manufacturing and trading branch of VIOHALCO.
- Through a well-organised structure of 19 companies in 8 countries, the HALCOR Group provides its customers with an extensive portfolio of copper and brass rolled and extruded products, zinc rolled products, copper and brass tubes as well as cables.
- HALCOR and its subsidiaries have 9 production plants in Greece, Bulgaria and Romania.
- The Group has structured its operation in such a manner as to meet the increased and demanding needs of copper product international markets, thus ensuring a successful extrovert commercial presence. In the fiscal year 2013, the sales made in non-Greek markets stood at 89.4% of the consolidated turnover.

## Consolidated Financial Results (in million Euro)



# 1. Message by the General Manager

In 2013, the HALCOR Group had to face an adverse macroeconomic and microeconomic environment with the economies of the European Union, which is its main geographical market, being in their majority in recession, metal prices considerably reduced and competition in terms of products and production becoming more intense.

The demand for industrial products in the Eurozone remained at the same levels with 2012; this, however, does not apply to the US market which performed better in relation to the previous year, giving the Group the opportunity to capitalise on its competitive advantages and establish even further its position in terms of commercial presence.

As regards the construction sector, the demand for copper products remained at low levels while the sharp drop registered in the previous years within Greece played a crucial role in 2013 too, rendering any demand merely inadequate. Under these circumstances, the Group reacted dynamically by implementing efficient production methods, increasing its shares in selected markets, especially for industrial products, strengthening its position in and outside Greece and shaping the conditions for substantial development in the medium and long term.

In the sector of cables, the reduced demand and the delay in the award and signing of major contracts led to reduced sales; however, in terms of long-term development the Group is in a quite advantageous position in this particular sector since the implementation of the relevant investment plan enabled the Group to become one of the few manufacturers of high voltage submarine cables on an international scale.

In 2013, the consolidated turnover of HALCOR amounted to Euro 1,102 million compared to Euro 1,259 million in 2012, i.e. a 12.5% decrease owing to the drop of the sales volume by 7% and the overall decrease of metal average prices. Specifically, the average copper price amounted to Euro 5,514 per ton compared to Euro 6,181 per ton in 2012 while the average zinc price amounted to Euro 1,437 per ton compared to Euro 1,513 in 2012.

In view of the foregoing, the consolidated gross profit was affected, among others, by the negative effect of the valuation of the Group's basic stock and amounted to Euro 16.5 million compared to Euro 44.4 million in 2012. In 2013, consolidated earnings before interest, taxes, depreciation and amortisation (EBITDA) amounted to Euro 6.7 million compared to Euro 34.2 million while consolidated results before taxes stood at losses of Euro 53.6 million compared to losses of Euro 31.1 million. Finally, consolidated results after taxes and minority



interests amounted to losses of Euro 58 million compared to losses of Euro 26 million in 2012. In terms of financial results, the Group's increased finance cost and the high energy prices had a negative effect, since they make the products of HALCOR and its subsidiaries having production plants in Greece less competitive in the international markets.

In 2013, the Group made investments totalling Euro 57.7 million of which the largest part (Euro 49.3 million) concerned the completion of the investment plan for the manufacture of submarine cables. Moreover, in the year, the Group refinanced part of its existing loans by entering into syndicated loans totalling Euro 270.1 million.

As regards the current year, Group Management remains moderately optimistic since a positive trend has emerged in the sector of industrial products, stabilisation is expected in the construction sector while the signs so far in the cables sector lay the foundations for successful performance based on the actual projects undertaken by the Group and also on the prospects arising from the re-launch of projects in the energy sector.

Amid a particularly challenging business environment, in 2013 the HALCOR Group managed to maintain its operating effectiveness and, on a commercial scale, enhanced its shares in a shrinking international market. In 2014, the main pillars of HALCOR and its subsidiaries remain their focus on industrial products, further optimisation of the plants' productivity, prudent financial management with emphasis laid on working capital and less borrowing, entry into new markets with attractive characteristics and also the increase of shares in the current markets in which the Group operates. Remaining concentrated on the principles governing its business operation, in 2014 the Group will continue to implement methodically its strategic planning, driven by the need to ensure its medium and long-term development.

**Dr. Periklis Sapountzis**  
General Manager



HALCOR and its subsidiaries provide services to a considerably wide range of international customers with challenging quality requirements and rigorous standard specifications.

## 2. HALCOR Group

The HALCOR Group represents the copper, copper and zinc alloy and cable product manufacturing and trading branch of VIOHALCO.

The extended product range of HALCOR and its subsidiaries includes, inter alia, copper and brass tubes, copper fittings for connecting copper tubes, copper sheets, strips, circles and plates, titan-zinc sheets and strips, special copper alloys, copper and brass rods and bars, enamelled wires and a wide array of cables.

The driving force of the Group's successful commercial presence in the international copper product markets is none other than its 9 production plants in Greece, Bulgaria and Romania on the basis of which HALCOR and its subsidiaries provide services to a considerably wide range of international customers with challenging quality requirements and rigorous standard specifications.

The main business units making up the Group in and outside the Greek territory are the following:

### ■ 1. HALCOR

With a production plant and its principal establishment in Oinofyta (Viotia), HALCOR is the Group's parent company. It is the unique copper tube manufacturer in Greece and its shares are traded on the Athens Stock Exchange.

HALCOR specialises in the manufacture of a broad product portfolio used in industrial applications and also in heating, cooling, water supply and natural gas transportation networks. These include TALOS ECUTHERM, TALOS INNER GROOVED, TALOS GEOTHERM, TALOS FORM copper tubes as well as CUSMART tubes.

### ■ 2. HELLENIC CABLES

The main scope of activity of HELLENIC CABLES includes the production of cables, enamelled wires as well as plastic and rubber compounds. More specifically, the range of solutions offered by the company includes, among others, industrial-use cables, conventional telephone cables, fibre-optic cables as well as medium, high and extra high voltage cables.

HELLENIC CABLES is the unique company in Greece manufacturing enamelled wires. The company's plants are located in Thiva (Livadia) and Oinofyta and its shares are traded on the Athens Stock Exchange.

### ■ 3. SOFIA MED

SOFIA MED is based in Sofia, Bulgaria and its industrial plant manufactures copper, brass and titan-zinc rolled products as well as copper extruded products.

To date, investment plans exceeding by far Euro 100 million have been implemented in the company's plant, thus enhancing considerably the plant's production effectiveness and annual capacity.

### ■ 4. ICME ECAB

ICME ECAB has a plant in Bucharest, Romania and operates in the manufacture of cables, copper and aluminium conductors, plastic and rubber compounds. Aiming at the continuous improvement and upgrade of its products, ICME ECAB has a modern Research and Development department accommodated in the plant, in leading-edge facilities.



## 5. FITCO

The subsidiary FITCO has a plant in Oinofyta (Viotia) and manufactures extruded brass products, such as bars, profiles, blades, wires and tubes. Thanks to its continuous commercial - business presence spanning over 60 years, FITCO meets effectively the needs of an international clientele, offering substantive and quality product solutions.

## 6. FULGOR

The subsidiary FULGOR has a thoroughly fitted out industrial plant in Soussaki (Corinthia) which manufactures submarine cables, power cables, copper and aluminium wires (8 mm and 9.5 mm respectively), bare conductors and fibre-optic cables.

Having in-depth know-how and experience in cable manufacturing and having implemented a highly extensive and ambitious investment plan, FULGOR is one of the few cable manufacturers on an international scale that is in a position to offer high voltage submarine cables to its customers.

The companies falling under the HALCOR Group at the end of 2013 are:

Company	Country of registered office	Holding	Main Activity
HALCOR S.A.	Greece	Parent	Copper and copper alloy processing
HELLENIC CABLES S.A.	Greece	72.53%	Overhead conductors, overhead and underground power cables, enamelled wires and compounds manufacturing
STEELMET S.A.	Greece	51.00%	Metal products trading
AKRO S.A.	Greece	96.59%	Pressed fittings manufacturing
SOFIA MED S.A.	Bulgaria	100.00%	Copper, copper and zinc alloy processing
METAL AGENCIES LTD	United Kingdom	49.51%	Metal products trading
BELANTEL HOLDINGS LTD	Cyprus	100.00%	Metal products trading
METAL GLOBE D.O.O.	Serbia	51.76%	Metal products trading
COPPERPROM LTD	Greece	69.01%	Market research, advertising, events organisation, training
FITCO S.A.	Greece	100.00%	Metal processing
TECHOR S.A.	Greece	68.97%	Production and trading
HABAKIS LTD	Greece	100.00%	Metal products trading
DIAPEM S.A.	Greece	33.33%	Liquid gas trading
ELKEME S.A.	Greece	30.44%	Research in the metal sector
VIEXAL S.A. (former EPE)	Greece	26.67%	Trade, transportation and agencies
S.C. STEELMET ROMANIA S.A.	Romania	40.00%	Metal products trading
TEPRO METALL AG	Germany	36.21%	Metal products trading
HALCOR RESEARCH AND DEVELOPMENT S.A.	Greece	70.00%	Research and development of new copper and copper alloy products
HALCORAL SH.PK	Albania	100.00%	Metal products trading

### 3. Milestones in the history of HALCOR

HELLENIC COPPER INDUSTRY begins operations and launches production in the newly-established industrial plants of VIOHALCO in Tavros (Attica).

The rolling and extrusion branches of VIEM are integrated into HALCOR, also transferring the experience of VIOHALCO.

The shares of VEKTOR are listed on the Athens Stock Exchange.

ICME ECAB, which is seated in Romania and mainly operates in the production of cables as well as plastic and rubber compounds, is integrated into the HELLENIC CABLES Group.

1937

1976

1981

1990-95

1996

1997

1999

HALCOR is incorporated and production of billets and slabs begins at the Oinofyta plant.

HALCOR contributes its rolling equipment to VEKTOR and the latter begins operations in the copper and other alloys rolling, extrusion and cutting sectors.

VEKTOR merges with HALCOR and is renamed into HALCOR S.A. HALCOR acquires a 4.99% holding in HELLENIC CABLES S.A., also listed on the Athens Stock Exchange.



The new premises of HELLENIC CABLES in Thiva begin operations and the production in high-voltage cable line is launched.

Production process in the new 400 kV High and Extra high voltage cable line is launched.

FULGOR is integrated in the HELLENIC CABLES Group, thus strengthening it in terms of know-how and production capacity in the sector of submarine and high voltage cables.

The completion of the investment in FULGOR means that the Group is ranked among the few manufacturers of high voltage submarine cables worldwide.

2000 • 2003 • 2005 • 2008 • 2010 • 2011 • 2012 • 2013



- HALCOR acquires a majority holding in HELLENIC CABLES.
- SOFIA MED, the Group's subsidiary in Bulgaria, acquires the fixed assets of KOZM.
- Manufacturing of rolled copper and brass products is transferred to the SOFIA MED plant.
- An extensive investment plan to restructure and upgrade the Group's industrial premises begins.

- The HALCOR plant in Tavros starts manufacturing titanium-zinc rolled products.
- The new pioneering CUSMART® tubes are launched in the market.

- The Group's subsidiary FITCO incorporates the brass bars and tubes manufacturing branch of HALCOR in its production process.
- The Group's 10-year extensive investment plan which in essence changed its production base, making it more competitive, is completed.

- The operations of FULGOR are fully integrated in the Group and the relevant restructuring of the product portfolio is launched. The implementation of an investment plan begins in the company's plant in Soussaki (Corinthia).
- Metallised copper tubes and TALOS GEOTHERM copper tubes are launched in the market.
- A new investment plan is launched by SOFIA MED to strengthen its production base in the sector of high added value products.

## 4. Philosophy and Strategy

Aiming at the Group's smooth and balanced operation as well as at the maximum possible utilisation of the productive and operational synergies developed between HALCOR and its subsidiaries, all business decisions and initiatives are carried out based on the following pillars of long-term strategic development:

- Focus on research and development so as to create new innovative products
- Overall customer-centred orientation in all business units of the Group from production to sales
- Unwavering top quality of all products and services provided by the Group
- Steady focus on the enhancement of the Group's production base in terms of effectiveness and production capacity
- International commercial orientation with emphasis on the markets having attractive commercial characteristics
- Emphasis on the safety of human resources and constant efforts to maintain a substantially man-centred work environment
- Responsible development respectful of the environment and the communities in which the Group operates

In the medium run, the main strategic guidelines for HALCOR and its subsidiaries are the following:

### ■ Product and Service Portfolio

- Capitalisation on the investments made by the Group in research and technology so as to develop new products of high added value. Further strengthening of the collaboration with ELKEME (Hellenic Research Centre for Metals) and the efforts made by HALCOR Research and Development department
- Focus on providing outstanding services before and after sales for all products provided by the Group to its customers
- Substantial focus on the Group's industrial customers by building long-standing harmonious relations
- Capitalisation on the restructuring of the Group's production base in terms of sale
- Further optimisation of the sales mix by laying emphasis on products with high profitability margins and satisfactory levels of demand such as copper and brass rolled products for use in industries, special copper alloys, submarine cables and industrial copper tubes



Focus on research and development so as to create new innovative products

20  
13

HALCOR S.A. ANNUAL REPORT

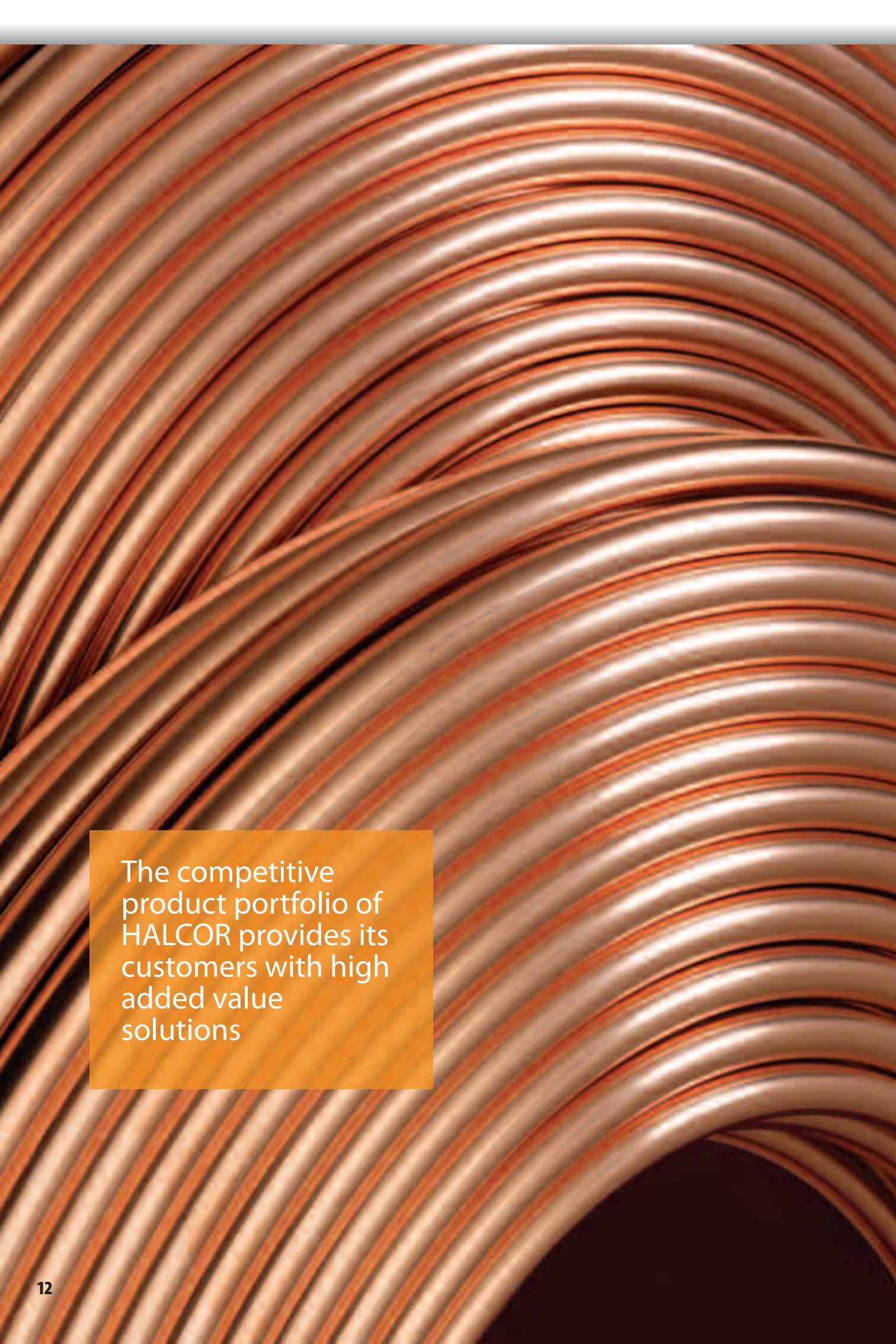
- Boosting the marketing efforts involving the Group's innovative products such as TALOS GEOTHERM, TALOS FORM, TALOS ECUTHERM LINESETS tubes as well as metallised copper tubes
- Capitalisation on the Group's competitive advantages in submarine cables following completion of the investment of the subsidiary FULGOR.

### ■ Commercial Development & Markets

- Commercial expansion in international markets through the autonomous development of Group companies. Emphasis on the markets of Europe, USA, Middle East and North Africa
- Capitalisation on the business opportunities offered by the sector concentration on an international scale
- Strengthening of the Group's clientele base beyond the Greek boundaries in both traditional and new markets. Direct approach by the executives of HALCOR and its subsidiaries rather than intermediate commercial agencies
- Capitalisation on business synergies within the HALCOR Group in Greece and abroad
- Expansion of the Group's presence in markets such as the Do - It - Yourself (DIY) tubes in France, Germany and Belgium and the installation pipes (water pipes) in Italy and Scandinavia.

### ■ Production Activity

- Better production scheduling by adopting automations and installing software enabling the optimisation of production scheduling and the information provided, better materials management, decrease in cost base and more effective management of working capital
- Improvement in the rate of returned products.
- Increase of scrap as raw material in product manufacturing, where possible, so as to restrain the dependence on primary metal
- Maintenance of the top quality of products and implementation of investments enabling full control of the production process.



The competitive product portfolio of HALCOR provides its customers with high added value solutions

# 5. Products

## ■ Introduction

Having established its position in the international copper product markets, the Group provides its extensive clientele a large product family used, among others, in heating, fire-fighting and water supply applications, shipbuilding and the automotive industry, industrial networks and heat exchangers and overall in many industrial sectors and construction.

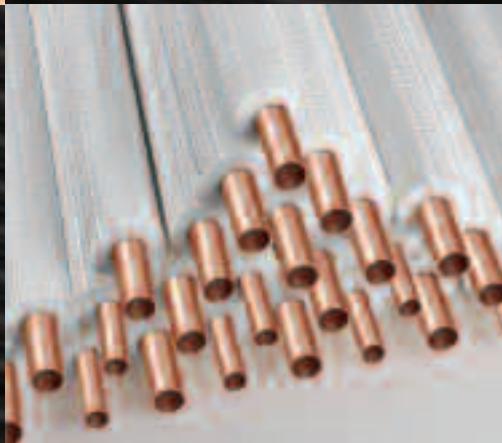
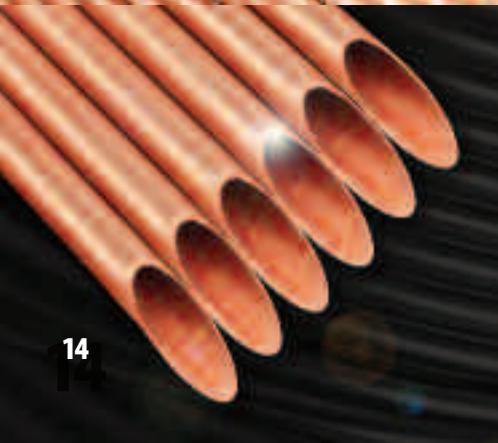
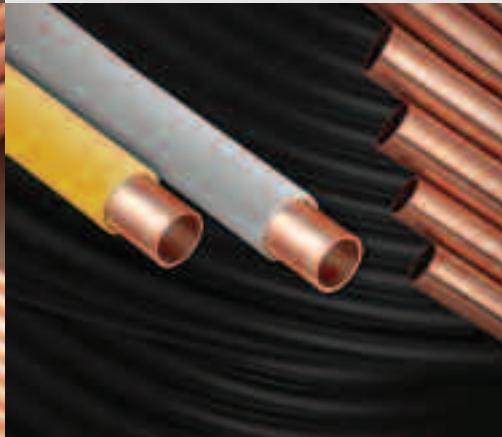
Following are the main product categories of the Group:

- Copper and brass tubes
- Rolled copper, brass, titan zinc and special alloy products
- Extruded copper and brass products
- Cables of various types and enamelled wires

## ■ High added value product solutions

The competitive product portfolio of HALCOR provides its customers with high added value solutions. It includes, among others, the following innovative products:

- **TALOS ECUTHERM®:** Coated copper tube offered insulated for heating and cooling applications since it enables substantial energy savings.
- **CUSMART®:** In 2013, following a long procedure, the HALCOR Group obtained a patent for manufacturing and marketing CUSMART tube. This is a copper tube coated with a special PE compound, ensuring fast installation and low cost. It has a particularly long service life, it is flexible and has no "shape-memory effect" since it maintains all advantages of copper tubes.
- **TALOS® Linesets:** The TALOS® Linesets product range has been specifically designed for air conditioning systems and includes copper tubes with shaped ends for easier connection. This particular range combines the unique advantages of copper resistance and high performance with a tube system ensuring low costs and lower installation times.
- **TALOS FORM:** TALOS FORM copper tubes are in essence a product category with particular specifications for a product meeting the needs of boiler components manufacturers. The tubes of this category have special formation requirements.
- **Metallised TALOS PLATED copper tubes:** they are mainly used in water supply and heating systems. They are elegant and resistant to corrosion due to the copper's properties and the external coating which lends them a special impressive surface in inox colour. They are recommended for new constructions and renovation works.
- **TALOS GEOTHERM®:** These are PE-RT copper tubes. Due to their special properties, they are preferred to the ordinary plastic tubes while being widely used in geothermal applications for building natural heating, thus contributing to heat generation with environment-friendly means.
- **INNER GROOVED tubes:** On a European scale, the HALCOR Group is classified among the few firms having the know-how and technological skills to manufacture INNER GROOVED tubes with a cross-section of 5 mm using MICRO GROOVE technology in addition to all the profiles marketed for many years. These tubes have inner grooves and minimum wall thickness of 0.25 mm and guarantee higher performance and reduced consumption. Their application is widespread in the demanding industry of air-conditioners.

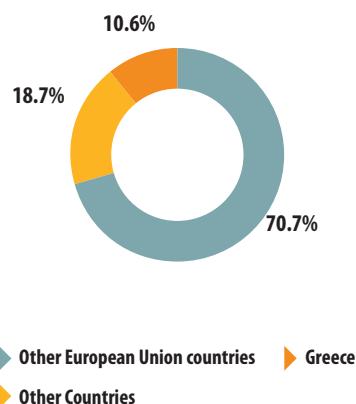


### Strong international business presence

Implementing a commercial policy with a clear extrovert orientation beyond the Greek boundaries, the HALCOR Group has forged long-standing relations with major international customers. These relations are based not only on the outstanding quality and special competitive characteristics of the Group's products but also on the range of services provided by HALCOR before and after sales.

In 2013, Group sales in the Greek market amounted to 10.6% of the consolidated turnover and the remaining 89.4% was made abroad. Specifically, 70.7% of sales pertained to other EU countries, 8.5% to other European countries, 4.4% to Asia, 3.9% to America, 1.7% to Africa and 0.2% to Oceania. Concurrently, the Group has high market shares on a European scale, which stand at 15% in copper plates, 14% in copper tubes and 13% in rolled copper products for roofing applications.

Geographical Allocation of Consolidated Turnover



### Product Families

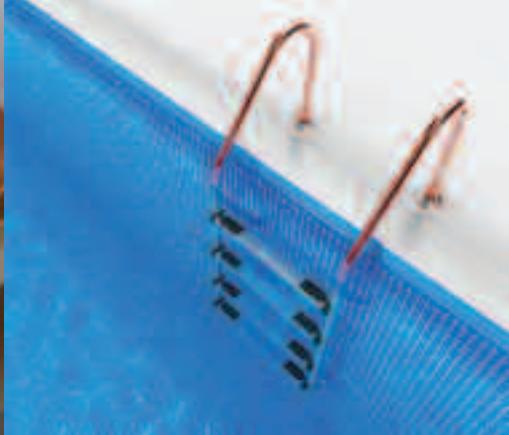
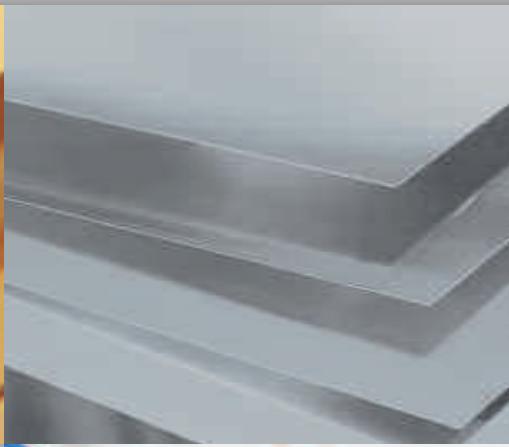
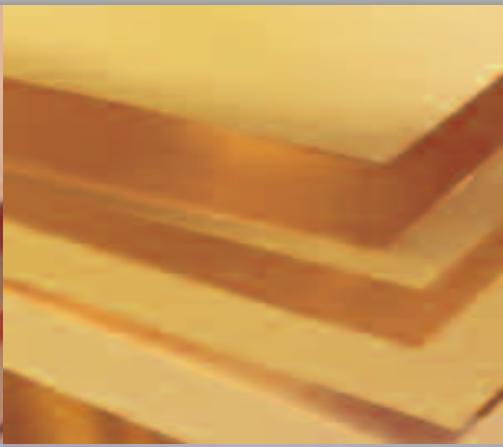
HALCOR Group manufactures the following products:

#### Tubes

##### Copper tubes

Copper tubes meet the needs in the construction of water supply, heating, natural gas, fire-fighting networks and industrial premises. In addition, they are favoured by the air-conditioner and heat exchanger manufacturing industry while also used in application such as components, tags, solar collectors and medical gases. They are marketed under the trade names TALOS® and CUSMART®. The respective product ranges are set out below:

Tube	Use
TALOS	Water supply, heating, natural gas, fire-extinction networks, and air-conditioning facilities
TALOS - Coated	Water supply, heating, natural gas networks
TALOS GAS	Natural gas networks
TALOS MED	Medical gas networks
TALOS ECUTHERM	Water supply, heating networks, air-conditioning and cooling facilities and solar systems, steam and industrial networks
TALOS ECUTHERM 2	Air-conditioning and cooling facilities
TALOS ECUTHERM SOLAR	Solar systems
CUSMART	Water supply, heating, floor heating and cooling
ACR TALOS	Air-conditioning and cooling facilities
ACR TALOS INNER GROOVED	Heat exchangers, air-conditioning and cooling devices
TALOS SOLAR Plus	Solar absorbers
TALOS GEOTHERM	Geothermal Applications



## Brass tubes

The brass tubes category includes the following products:

- **Seamless brass tubes:** They are used in the automotive industry, architectural and decorative applications, in the manufacture of furniture, lighting fixtures and metal fittings.
- **Seamed brass tubes:** They are widely used in the shipbuilding industry, automotive industry, chemical industry, and also in the manufacture of plumbing components and heat exchangers.

## TALOS® fittings

These are soldered and pressed copper fittings used in the joints of copper tubes, which are marketed under the trade name TALOS FITTINGS.

## Rolled products

The rolled products category includes copper strips, sheets, circles and plates, titan-zinc sheets and strips as well as special copper alloys.

### Copper rolled products for architectural applications

The Group manufactures copper sheets and strips for the exterior cladding of buildings, roofing, gutters, chimneys and dormers and skylights, copper rolled products used in solar collectors, boilers and also electrical and mechanical devices. The products meet the quality specifications of EN 1652 and EN 1172 standards and they are marketed under the trade name DOMA®.

### Titan-zinc rolled products for architectural applications

The products of this category stand out for their optimum mechanical properties, remarkable service life and exceptional installation flexibility. Specifically, the Group manufactures titan-zinc sheets and strips also marketed under the trade name DOMA® and used in manufacturing and construction, meeting needs for roofing, and external or interior cladding of buildings.

### Copper and brass rolled products for industrial applications

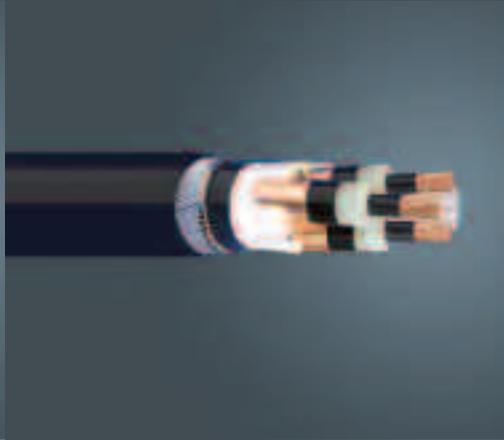
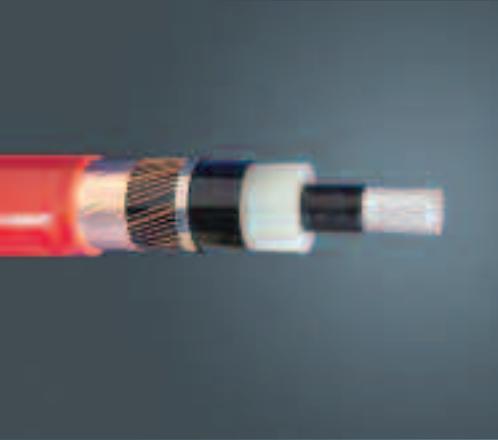
The HALCOR Group manufactures, among others, brass sheets, strips, circles and plates used in a number of applications in the defence, petrochemical, electrical, nuclear, shipbuilding and medical industries, automotive industry, for manufacturing springs, boilers, solar collectors and panels, high-frequency twisted cables, electrical and electronic equipment. Copper and brass rolled products for industrial applications are manufactured on a case-by-case basis in full compliance with the corresponding standards EN 1652, EN 1653, EN 13599 and EN 1654.

### Special alloys

Special alloys mean copper-zinc alloys which are used in cups and discs, and also copper-nickel, copper-nickel-zinc and copper-aluminium-nickel alloys used in the production of coins.

## Extruded Products

The extruded products category of HALCOR includes copper bus bars and rods as well as brass bus bars, rods and profiles offering guaranteed solutions in architectural, electromechanical applications and also in decoration.





## Cables

In the cables sector, the Group's product portfolio includes a number of cable types sold under the internationally patented trade name CABLEL<sup>®</sup>, as well as a wide variety of conductors, enamelled wires and also plastic and rubber compounds used in the manufacturing of cables, tubes and also plastic and rubber profiles. HELLENIC CABLES, FULGOR and ICME ECAB operate in the manufacturing of the above products.

Having successfully completed an extensive investment plan, the subsidiary FULGOR currently figures among the few manufacturers that can produce high voltage submarine cables worldwide.

Technical assistance during the design and production of part of the Group's products is provided by major international firms such as VISCAS Corporation, thus contributing to their high added value in terms of effectiveness and top technical specifications.

The cable product category is divided into the following sub-categories:

- **Submarine cables:** medium, high and extra high voltage submarine power cables, optic fibre submarine cables, composite submarine cables (power and optic fibre).
- **Power cables:** cables for indoor installations; control cables; cables for industrial uses and outdoor installations; fire-retardant, fire-resistant and halogen-free cables; medium, high and extra high voltage cables; marine cables and Cu (grounding), Al, and ACSR conductors.
- **Telecommunications and data transmission cables:** conventional telephone cables; telephone exchange, data transmission, fibre-optic (single-mode and multi-mode); submarine cables and signalling cables.
- **Enamelled wires:** wires for electric motors and transformers as well as copper wires for grounding and can making.
- **Plastic and rubber compounds:** PVC-based and polyolefin-based plastic compounds, and rubber compounds.

The activities of the HELLENIC CABLES Group include integrated solutions to major cable installation projects. Specifically, the Group is involved in all stages of the process, from cable design and production to transportation, installation, maintenance and training.



## 6. HALCOR Group Production Plants

The uncompromising quality and reliability of the Group's products and services are the foundations on which the HALCOR Group forges strong partnership links with major customers in Greece and abroad. The production base of HALCOR and its subsidiaries includes 9 plants in Greece, Bulgaria and Romania, which are in a position to deliver innovative products with high quality characteristics at all times.

### HALCOR Group Manufacturing Facilities

Production plant	Location	Scope of production
HALCOR Foundry	Oinofyta	Semi-finished products (billets and slabs) brass ingots
HALCOR Copper Tubes Plant	Oinofyta	Copper tubes for heating, water supply, cooling, natural gas transport, air conditioning and industrial use
FITCO Brass Bars and Tubes Extrusion Plant	Oinofyta	Brass finished products (bars, profiles, plates, wires and tubes)
SOFIA MED Copper Processing Plant	Sofia (Bulgaria)	Copper, brass, zinc and special alloy flat products, copper bars and rods
HELLENIC CABLES Electrical and Optic Fibre Cables Plant	Thiva	Low, medium, high and extra high voltage power cables, fibre-optic cables, copper and aluminium tubes
HELLENIC CABLES Copper Conductors and Enamelled Wires Plant	Livadia	Grounding and overhead conductors and enamelled wires
HELLENIC CABLES Plastic and Rubber Compounds Plant	Oinofyta	Plastic and rubber compounds for the supply of insulation, filling and shielding production lines of final cables
ICME ECAB Cable Plant	Bucharest (Romania)	Indoor installation cables, power, control, industrial use and exterior installation cables; fire-retardant and fire-resistant cables as well as plastic and rubber compounds
FULGOR Cables Plant	Soussaki, Corinthia	Low, medium, high voltage power cables, submarine cables, 8 mm copper wire, 9.5 mm aluminium wire

#### HALCOR Foundry (Oinofyta)

Total area: 51,213 m<sup>2</sup>

Buildings: 11,638 m<sup>2</sup>

Production capacity: 235,000 tons annually

The Oinofyta-based HALCOR foundry operates using natural gas, thus reducing the air pollutant emissions, and manufactures copper, brass and other alloy billets and slabs.

## 6. HALCOR Group Production Plants

The plant operates in the manufacture of semi-finished products for the Group's other plants. It includes:

- 2 lines of semi-continuous melting and casting of brass billets (both for lead and pure brass)
- 1 line for the production of titan-zinc slabs
- 1 line for the production of slabs made of special alloys
- 1 line of continuous vertical melting and casting of copper billets
- 1 line of continuous melting, casting and in-line rolling for the production of Ø8 copper wire.

Specifically, the plant manufactures copper, brass and other alloy billets and slabs. The plant has a copper and copper alloy scrap collection and sorting centre and is certified as per ISO 9001:2008, ISO 14001:2004, ISO 18001:2007 and OHSAS 18001.

### HALCOR Copper Tubes Plant (Oinofyta)

Total area: 198,061 m<sup>2</sup>

Buildings: 67,414 m<sup>2</sup>

Production capacity: 75,000 tons annually

The Group's copper tubes plant in Oinofyta is involved in copper billet processing and manufactures the following products:

- Copper tubes in straight lengths and hard, semi-hard or soft coils.
- Coated copper tubes.
- Copper tubes for special uses.

These products are a reliable choice, offering solutions used in the construction of heating, water supply, cooling and natural gas transportation networks and in general industrial applications.

The copper tubes plant in Oinofyta has some of the most effective machinery in Europe and figures among the few plants that are able to manufacture tubes with inner grooves and small wall thickness, which are widely used in the production of heat exchangers.

The facilities are certified as per ISO 9001:2008, ISO 14001:2004, ISO 18001:2007 and OHSAS 18001.

### FITCO Brass Bars and Tubes Extrusion Plant (Oinofyta)

Total area: 57,980 m<sup>2</sup>

Buildings: 23,120 m<sup>2</sup>

Production capacity: 40,000 tons annually

The Oinofyta-based plant of FITCO uses hot or cold extrusion techniques and brass scrap as primary raw material and manufactures the following products meeting a number of European and American quality specifications (EN, DIN, BS, NF, ASTM):

- Solid and hollow brass rods (round - hexagon - square)
- Solid and hollow brass profiles
- Brass wire
- Brass bars
- Seamless brass tubes of different cross-sections
- Seamed brass tubes with a circular cross-section (welding with high frequency current)

The plant's facilities are certified as per ISO 9001:2008, ISO 14001:2004, ISO 18001:2007 and OHSAS 18001.

### SOFIA MED Copper Processing Plant (Sofia, Bulgaria)

Total area: 250,000 m<sup>2</sup>

Buildings: 120,000 m<sup>2</sup>

Production capacity: 155,000 tons annually

The SOFIA MED plant in Sofia, Bulgaria manufactures the following 2 main product categories:

- Copper, brass and titan-zinc rolled products used in architectural applications, roofing, air ducts and industrial applications in electrical and mechanical facilities
- Copper extruded products used in electromechanical equipment, decoration applications and plumbing fixtures.

The plant is certified as per ISO 9001, ISO 14001 and OHSAS 18001 and runs casting, rolling and extrusion lines. Following the investment plan implemented in SOFIA MED, works were also carried out in 2013 to optimise even further the production effectiveness and raise production capacity.

### HELLENIC CABLES Electrical and Optic Fibre Cables Plant (Thiva)

Total area: 175,082 m<sup>2</sup>

Buildings: 44,408 m<sup>2</sup>

Production capacity: 60,000 tons annually

The Thiva-based plant of HELLENIC CABLES manufactures cables that meet certain customer-set specifications and fulfil specialised needs:

- Control cables
- Indoor installation cables
- Low smoke and fume, halogen-free cables with reduced fire propagation.
- Marine and offshore cables with increased fire resistance.
- Power cables with operating voltages over 1kV.
- Power cables with operating voltages up to 1kV.
- Optic fibre cables

The plant is certified as per ISO 9001, ISO 14001 and OHSAS 18001 and its facilities include a medium and high voltage cable production line as well as a quality control / degassing unit. The plant's main raw materials are copper, aluminium, steel wires and plastic-rubber materials.

### HELLENIC CABLES Copper Conductors and Enamelled Wires Plant (Livadia)

Total area: 121,818 m<sup>2</sup>

Buildings: 14,048 m<sup>2</sup>

Production capacity: 14,000 tons annually

The HELLENIC CABLES plant in Livadia operates in the manufacturing of grounding conductors, overhead conductors and enamelled wires. The plant is certified as per ISO 9001, ISO 14001 and OHSAS 18001.

### HELLENIC CABLES Plastic and Rubber Compounds Plant (Oinofyta)

Total area: 21,263 m<sup>2</sup>

Buildings: 6,444 m<sup>2</sup>

Production capacity: 24,000 tons annually

The HELLENIC CABLES plant in Oinofyta produces rubber and plastic compounds required for the supply of insulation, filling and shielding production lines for the final cables.

In this context, the plant is responsible, among others, for supplying the production lines of HALCOR for the manufacture of ECUTHERM® and CUSMART® copper tubes.

The Oinofyta plant is certified as per ISO 9001, ISO 14001 and OHSAS 18001.

### ICME ECAB Cable Plant (Bucharest, Romania)

Total area: 268,000 m<sup>2</sup>

Buildings: 102,137 m<sup>2</sup>

Production capacity: 50,000 tons annually

The ICME ECAB plant in Bucharest, Romania manufactures a wide range of cables used in indoor and exterior installations, industrial applications, telecommunications, energy and control facilities. This range also includes fire-retardant, fire-resistant and halogen-free cables; copper and aluminium conductors, mine cables, marine and special purpose cables, optic fibre cables, signalling, remote control and data transmission cables, as well as plastic and rubber compounds.

The plant has also a Research and Development department involved in the study and development of new methods and processes for the production of optimised, innovative products according to rigorous quality standards.

The ICME ECAB plant is certified as per ISO 9001 and ISO 14001.

### FULGOR Cables Plant (Soussaki, Corinthia)

Total area: 218,247 m<sup>2</sup>

Buildings: 80,048 m<sup>2</sup>

Production capacity: 50,000 tons cables and 120,000 tons Ø8 copper wire, annually

Capitalising on the considerable experience and thorough technical knowledge in cable manufacturing, FULGOR manufactures in its plant in Soussaki, Corinthia a wide range of products including, inter alia, the following:

- Copper wire Ø8.0 mm & aluminium wire Ø9.5 mm
- Bare conductors
- Power cables (low, high and extra-high voltage)
- Submarine cables (power, telecommunications, Optic Fibre and combined)
- Marine cables
- Telephone cables

- Optic fibre cables
- Remote control cables
- Cables for special uses

The main competitive advantage of FULGOR plant is the fact that its facilities include a fully equipped port that enables the direct loading of products on cable ships while also making the plant's overall operation more effective.

An extensive investment plan was completed in 2013 in the plant, which helped FULGOR become one of the few manufacturers of high voltage submarine cables worldwide. Actually, following this particular investment, the plant is in a position to undertake the production of an even more extensive product portfolio, thus strengthening its position in the international markets.

The plant is certified as per ISO 9001, ISO 14001 and OHSAS 18001.





# 7. Research & Development

Having as its main strategic objective to develop and enhance its production plants, processes and products at all times, the HALCOR Group focuses and implements significant investment plans in Research & Development, aiming at the ongoing upgrade and renewal of technologies in metallurgical applications.

## Research & Development in HALCOR

HALCOR has developed specialised facilities in its central production plant in Oinofyta, where it carries out research in copper applications, new production methods are developed, existing methods are enhanced and the manufacture of new innovative products is scheduled.

Specialised and thoroughly qualified scientific personnel as well as adequate technology are put to use to implement the above procedure. In terms of facilities, a typical example is the provision and running of a testing platform for Inner Groove Tubes (IGT), which are used in air conditioner exchangers. Using this platform, HALCOR is able not only to measure the performance of its products but also to design on behalf of its customers and recommend new customised profiles meeting their needs.

In addition, in an attempt to boost even further the overall innovation process and optimise the production effectiveness, the company introduced the position of Assistant Commercial Manager in its organisation chart whose main powers include, among others, a closer monitoring of research and development operations.

## ELKEME (Hellenic Research Centre for Metals S.A.)

The main activity of ELKEME (Hellenic Research Centre for Metals) consists in laboratory research with the view of upgrading production methods, enhancing the quality of the end product portfolio and developing innovative solutions that will offer VIOHALCO subsidiaries a stronger competitive advantage.

In its leading-edge facilities in Tavros (Attica), ELKEME employs specialised personnel including scientists and technicians who have open and continuous communication channels and collaborate with the individual production plants, supporting their operation by presenting new pioneering products and also by tackling any industrial problems encountered.

In order to maximise the benefits from the operation of ELKEME, HALCOR has launched direct collaboration with its executives and has even employed an engineer in HALCOR's facilities in order to better prepare its entry in new product categories.

Specialised facilities in Oinofyta where research in copper applications is carried out, new production methods are developed, existing methods are enhanced and the manufacture of new innovative products is scheduled.

## 8. Financial Results

### Consolidated Turnover

In 2013, the consolidated turnover of the HALCOR Group amounted to Euro 1,102 million compared to Euro 1,259 million in 2012, i.e. a 12.5% drop. This sharp decrease is due both to the 7% drop of sales and volume and also to the reduced average metal prices compared to the previous year. Note that the industrial production gave signs of stabilisation during 2013 while the US market improved even further. The Group took advantage of such improvement and bolstered its presence in that market. In the domestic market, the construction activity was restrained for the seventh running year, being currently at the lowest level of the last forty years at least. As regards the sales mix, it changed considerably with cable sales being limited to 36% of total sales (2012: 44%) due to the sale of more aluminium cables than copper ones, with tubes sales accounting for 26%, rolled products for 21%, copper plates for 11% and brass bars for 6%. Another important element is the fact that the sales of industrial tubes and rolled copper products for industrial applications were increased given that the demand for installation products was negatively affected by the shrunk construction sector in practically the entire European market.

### Group Profitability

Accordingly, the Group's profits were on the decrease with consolidated gross profit amounting to Euro 16.5 million in 2013 compared to Euro 44.4 million in 2012, i.e. a 62.7% drop which is due not only to the decrease in turnover but also to the loss of Euro 20.4 million compared to loss of Euro 3.2 million in 2012 owing to the valuation of the basic operating stock which arose from the decrease in metal price. Consolidated earnings before interest, taxes, depreciation and amortisation (EBITDA) amounted to Euro 6.7 million compared to Euro 34.2 million in 2012 while losses after taxes and minority interests stood at Euro 58 million in 2013 compared to losses of Euro 26 million in 2012 following the re-calculation of the Group's deferred tax that entailed a charge of Euro 6.5 million to 2013 results.

Note that the intense competition squeezed considerably processing prices while special emphasis was laid on optimising the production processes to further reduce the industrial cost and boost the Group's competitiveness. On the opposite side, the high energy cost and the finance costs have a negative effect on product competitiveness and profitability.

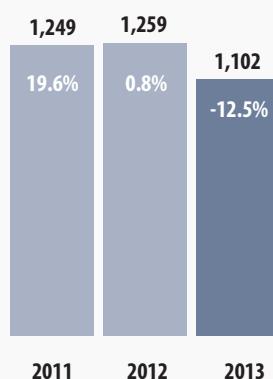
### Consolidated Financial Results

amounts in thousand Euros	2011	2012	2013
Turnover	1,249,317	1,259,306	1,102,022
Gross Profit	63,185	44,396	16,541
Earnings/Losses before interest, taxes, depreciation and amortisation (EBITDA)	49,169	34,200	6,703
Earnings/Losses before interest and taxes (EBIT)	23,148	8,628	-15,554
Profit/Loss before taxes	-11,351	-31,117	-53,637
Profit/Loss after taxes & minority interests	-15,583	-26,023	-57,979

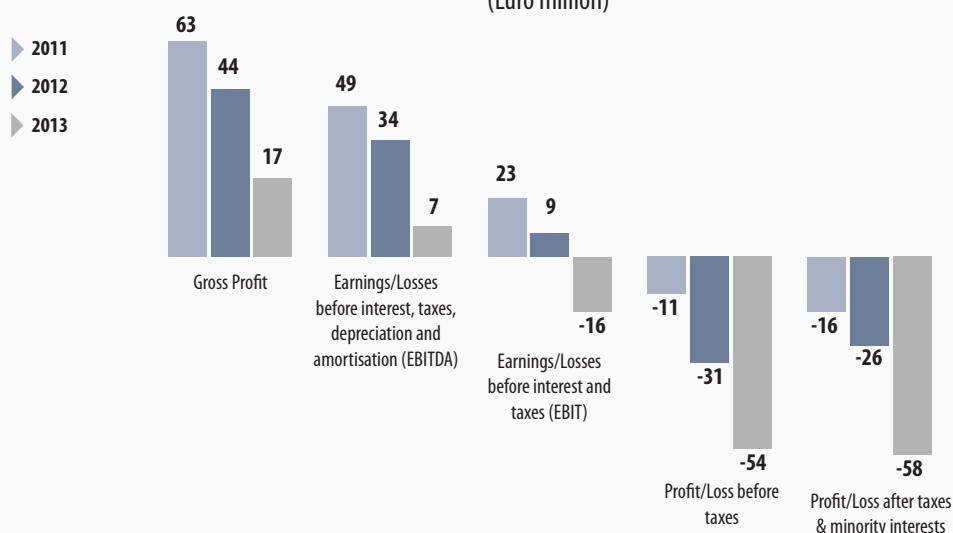
### Development of figures (%)

	2011	2012	2013
Turnover	19.6%	0.8%	-12.5%
Gross Profit	43.7%	-29.7%	-62.7%
Earnings/Losses before interest, taxes, depreciation and amortisation (EBITDA)	51.4%	-30.4%	-80.4%
Earnings/Losses before interest and taxes (EBIT)	457.4%	-62.7%	n/a
Profit/Loss before taxes	n/a	n/a	n/a
Profit/Loss after taxes & minority interests	n/a	n/a	n/a

### Consolidated Turnover (Euro million)



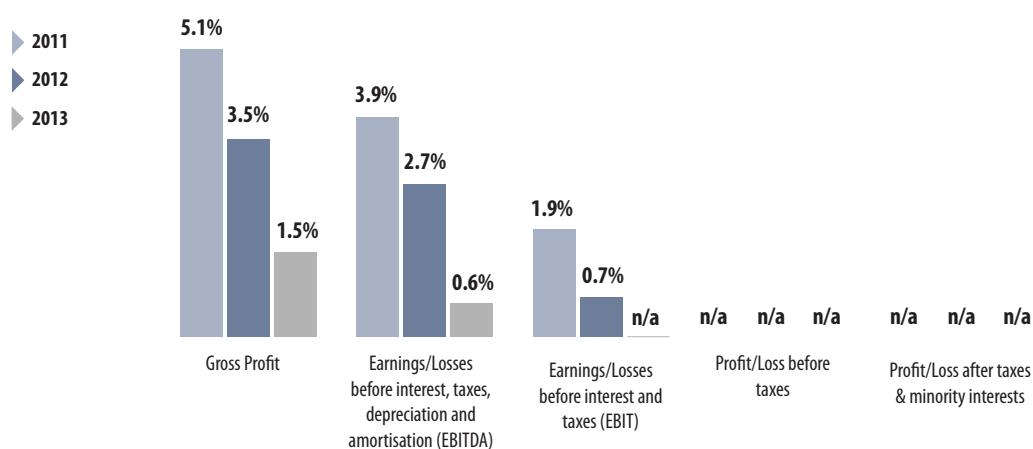
### Consolidated Financial Results (Euro million)



## Profit Margins

	2011	2012	2013
Gross Profit	5.1%	3.5%	1.5%
Earnings/Losses before interest, taxes, depreciation and amortisation (EBITDA)	3.9%	2.7%	0.6%
Earnings/Losses before interest and taxes (EBIT)	1.9%	0.7%	n/a
Profit/Loss before taxes	n/a	n/a	n/a
Profit/Loss after taxes & minority interests	n/a	n/a	n/a

## Profit Margins



## Results per Business Unit (in thousand Euros)

2011	COPPER PRODUCTS	CABLE PRODUCTS	OTHER SERVICES
Sales	746,965	392,134	110,217
Earnings/Losses before interest and taxes (EBIT)	8,626	13,173	1,349
Profit/Loss after taxes	-18,334	3,318	386
2012	COPPER PRODUCTS	CABLE PRODUCTS	OTHER SERVICES
Sales	732,939	412,788	113,578
Earnings/Losses before interest and taxes (EBIT)	6,754	1,286	588
Profit/Loss after taxes	-17,791	-11,000	-716
2013	COPPER PRODUCTS	CABLE PRODUCTS	OTHER SERVICES
Sales	665,430	309,659	126,934
Earnings/Losses before interest and taxes (EBIT)	-10,310	-6,840	1,596
Profit/Loss after taxes	-42,817	-21,166	314

## Consolidated Statement of Financial Position (thousand Euro)

	2011	2012	2013
<b>ASSETS</b>			
Fixed assets	393,459	391,396	422,726
Inventories	234,740	229,065	208,236
Trade receivables	154,743	133,575	131,230
Cash and cash equivalents	37,208	27,859	49,125
Other assets	2,756	1,812	777
<b>TOTAL ASSETS</b>	<b>822,907</b>	<b>783,708</b>	<b>812,093</b>
<b>EQUITY &amp; LIABILITIES</b>			
Share Capital	38,486	38,486	38,486
Other equity items of Company shareholders	97,740	70,555	13,011
Minority interest	33,922	30,521	24,744
<b>Total equity</b>	<b>170,148</b>	<b>139,563</b>	<b>76,241</b>
<b>Long-term liabilities:</b>			
Long-term loans	190,474	157,547	404,631
Other long-term liabilities	31,063	28,836	49,658
<b>Total long-term liabilities</b>	<b>221,537</b>	<b>186,383</b>	<b>454,289</b>
<b>Short-term liabilities:</b>			
Short-term loans	329,413	358,152	167,389
Other short-term liabilities	101,809	99,610	114,174
<b>Total short-term liabilities</b>	<b>431,222</b>	<b>457,762</b>	<b>281,563</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>822,907</b>	<b>783,708</b>	<b>812,09</b>

## Consolidated Statement of Cash Flow (thousand Euro)

	2011	2012	2013
<b>Cash Flows</b>			
From operating activities	48,530	14,868	15,801
From investment activities	-18,837	-22,377	-52,648
From financing activities	-9,861	-1,839	58,113
<b>Total</b>	<b>19,832</b>	<b>-9,348</b>	<b>21,266</b>
<b>Cash and Cash Equivalents at the beginning of the year</b>	<b>17,368</b>	<b>37,208</b>	<b>27,859</b>
<b>Cash and Cash Equivalents at the end of the year</b>	<b>37,200</b>	<b>27,859</b>	<b>49,125</b>

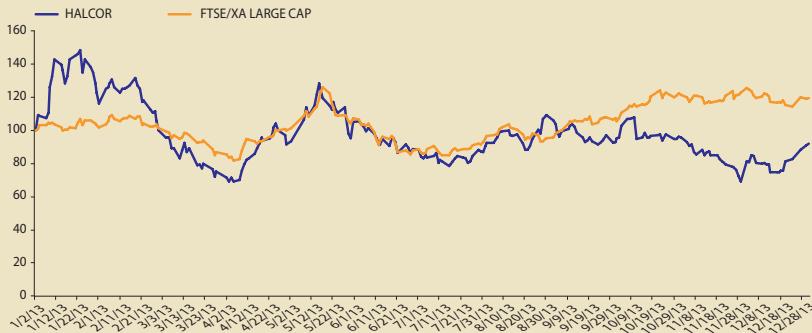
## Share Evolution and Trading Volume



## HALCOR vs ATHEX (base=100)



## HALCOR vs FTSE XA LARGE CAP (base = 100)



## HALCOR vs SMALL & MEDIUM CAP INDEX (base = 100)



		2011	2012	2013
<b>LIQUIDITY RATIOS</b>				
General liquidity	Times	1.00	0.86	1.38
Special liquidity	Times	0.45	0.36	0.64
<b>ACTIVITY RATIOS</b>				
Receivables turnover ratio	Days	45	39	43
Accounts payable turnover ratio	Days	30	28	37
Assets turnover ratio	Times	1.52	1.61	1.36
<b>VIABILITY RATIOS</b>				
Coverage of Financial Expenses	Times	1.39	0.85	0.17
Debt/Equity	Times	3.84	4.62	9.65

## Investment Ratios

		2011	2012	2013
EBITDA/ share	Euro	0,49	0,34	0,07
P/BV	Times	0.43	0.35	1.16
P/Sales	Times	0.06	0.04	0.08
P/EBITDA	Times	1.50	1.42	13.24
<b>Share Information</b>				
Weighted average number of shares (in thousands)		101,280	101,280	101,280
Average price per share		0.73	0.48	0.88

The ratios were calculated using the average share price during each fiscal year and the weighted number of shares.

Average price per share 2013: Euro 0.88  
 Number of shares: 101,279,627  
 Share Symbols:  
 XAKOP (HELEX)  
 HAL.AT (Reuters)  
 XAKO GA (Bloomberg)

## 9. HALCOR Management Executives

HALCOR has adopted the practices of Corporate Governance in the way it is managed and operates as these are specified in the applicable institutional framework and the Code of Corporate Governance published by the Hellenic Federation of Industries.

Further information on the application of the above principles in the Company is included in the Annual Financial Report on the year 2013 and on HALCOR website ([www.halcor.gr](http://www.halcor.gr)).

### HALCOR Board of Directors

Chairman of the BoD – Executive Member	Theodosios Papageorgopoulos
Vice Chairman of the BoD - Executive Member	Nikolaos Koudounis
Non-Executive Member	Georgios Passas
Independent – Non-Executive Member	Andreas Kyriazis
Independent – Non-Executive Member	Nikolaos Galetas
Non-Executive Member	Konstantinos Bakouris
Executive Member	Periklis Sapountzis
Non-Executive Member	Andreas Katsanos
Non-Executive Member	Christos - Alexios Komninos
Executive Member	Eftychios Kotsambasakis
Executive Member	Tasos Kasapoglou

### HALCOR Management Executives

#### 1. Periklis Sapountzis | General Manager

Mr. Sapountzis is a chemical Engineer, graduate of the Technical University of Munich, holder of a doctor's degree (TUM). He has been one of VIOHALCO companies executives since 1995.

#### 2. Spyridon Kokkolis | CFO of the HALCOR Group

Mr. Kokkolis is an economist, graduate of the National & Kapodistrian University of Athens. He has been one of VIOHALCO companies executives since 1993.

#### 3. Stylianos Theodosiou | Technical Manager

Mr. Theodosiou is an electrical-mechanical engineer, graduate of the National Technical University of Athens. He has been working for the Group since 1969.

#### 4. Evangelos Papanikolaou | Foundry Technical Manager

Mr. Papanikolaou is a mechanical engineer, holder of BEng, MSc, of the Imperial College of Science Technology & Medicine, London University and holder of an MBA from the same university. He has been working for HALCOR since 1995.

#### 5. Apostolos Kaimenopoulos | Tubes Plant Technical Manager

Mr. Kaimenopoulos is a mechanical engineer, graduate of the Technical University of Patras. He has been working for the Company since 1998.

#### 6. Ioannis Biris | HALCOR Research and Development Manager

Mr. Biris is a graduate architect-engineer. He has been working for the Company since 2002.

**7. Lolos Panagiotis | Commercial Manager**

Mr. Lolos has a degree in Political Sciences and International Studies from Panteion University, a Master of Arts degree in International Economics degree from North Carolina State University and an MBA from the University of Piraeus. He has been working for HALCOR S.A. since 2001.

**8. Nikolaos Tarnanidis | New Markets Development Manager**

Mr. Tarnanidis is an economist, graduate of the University of Piraeus and holds a Master's degree in Economic Sciences from the University of London. He has been one of VIOHALCO companies executives since 1987.

**9. Eftychios Kotsambasakis | Oinofyta Plants Directing Manager**

Mr. Kotsambasakis is an economist. He has been one of VIOHALCO companies executives since 1965.

**10. Georgios Samartzis | Supplies Manager**

Mr. Samartzis is an economist, graduate of the Higher Industrial Faculty of Piraeus, Department of Business Organisation and Administration. He has been one of HALCOR executives since 2000.

**11. Dionysios Skarmoutsos | Quality Assurance and Environment Manager**

Mr. Skarmoutsos is a chemical engineer and holds a MSc degree in the science of materials from the University of Patras. He has been one of VIOHALCO companies executives since 2004.

**12. Giorgos Tzortzos | Human Resources Manager**

Mr. Tzortzos is an economist. He has been working for HALCOR S.A. since 2008.

**13. Gerasimos Moschopoulos | IT Manager**

Mr. Moschopoulos is a graduate of the School of Computer Engineering of the University of Concordia in Montreal, Canada, and holds a Postgraduate degree in Digital systems from the same School. He has been working for the Group since 2000.

**14. Georgios Mavraganis | Strategic Planning Manager**

Mr. Mavraganis is a chemical engineer holding a MEng from Swansea University. He also has an MBA from Cardiff Business School. He has been working for HALCOR since 2008.

**15. Spyridon Hondrogiannis | Health & Safety Manager**

Mr. Hondrogiannis has a BSc of Mechanical Engineering and the respective MSc of Electronics Manufacture from the University of Sunderland. He has been one of VIOHALCO companies executives since 2001.

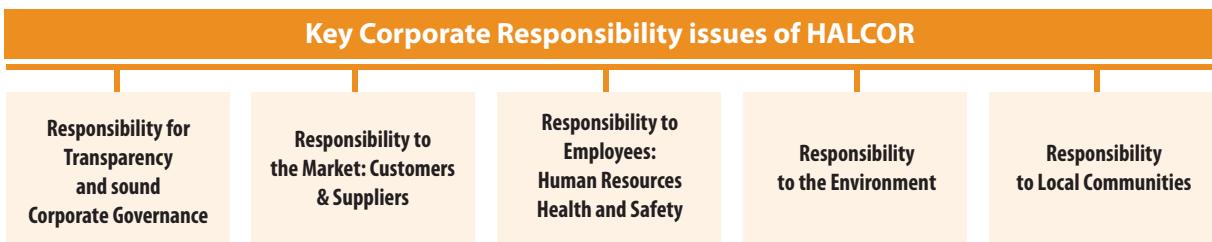
**16. Michalis Kostopoulos | Internal Audit Supervisor**

Mr. Kostopoulos is an economist, graduate of the University of Piraeus, Department of Business Organisation and Administration. He has been one of the VIOHALCO S.A. Group's executives since 2002.

# 10. Corporate Responsibility and Sustainable Development

HALCOR acknowledges the importance of Corporate Responsibility and has incorporated the basic Sustainable Development Principles in its operation. Aspiring at the integrated and systematic management of these matters, the key issues of Corporate Responsibility and Sustainable Development have been identified and prioritised, on which HALCOR focuses accordingly.

These key issues related to the operation of HALCOR are grouped together according to the following pillars:



## Transparency and sound Corporate Governance

Sound corporate governance, compliance and transparency in all sectors are the cornerstone of responsible business operation. The Company's primary objective is to generate value for its shareholders and all its related parties. Through its business activities, HALCOR contributes to national economy while the investments made on an annual basis enable the Company to lay the foundations for Sustainable Development. Concurrently, the corporate governance practices implemented in the Company are a factor of stability and positive outlook. Aiming at the integrated management of Corporate Responsibility and Sustainable Development key issues, a special CSR team has been set up with executives from all corporate divisions taking part therein.



## Innovation, Research & Development

HALCOR focuses particularly on research in order to develop innovative, new-technology products, by adopting a continuous improvement and development approach combined with meeting all needs of its customers. In the context of integrated customer service and continuous development and improvement, HALCOR undertook to install a new and innovative platform/laboratory of thermal performance testing involving Inner Grooved Tubes (IGT). Thus, the Company will be now able to:

- Understand accurately the main principles governing the behaviour of heat exchangers in line with the different design patterns in the tubes' inner grooves
- Correlate the operating conditions of heat exchangers with the respective laboratory conditions
- Adapt the design of tube inner grooves so as to attain the desirable performance objectives set by each manufacturer for a heat exchanger at the stage of design.

The benefits from this installation are quite important for HALCOR and its customers having regard to the new range of services the Company will be now able to provide. It is worthwhile noting that the tests carried out through this new platform will lead to optimised energy efficiency of tubes with particularly positive effects on the environment. The use of highly energy-efficient tubes offers the advantage of overall improvement of new heat exchangers' energy efficiency and the ultimate benefit of reduced energy consumption and, thus, fewer air pollutants.





### Responsibility to the Market

For HALCOR, product quality is a strategic option, a competitive advantage and a matter of business responsibility. The Company focuses particularly on the quality of the products it manufactures and, for this reason, implements a thoroughly organised Quality Management System, fully adapted to modern industrial needs, which is certified as per the requirements of ISO 9001:2008.

Meanwhile, maintaining and developing relations of trust with customers is a main concern of HALCOR. The Company's customer-centred philosophy brings forward the swift response to demand and also the integrated set of product support services. Customer satisfaction is recorded in a systematic and organised manner, through regular customer satisfaction surveys while survey results are evaluated and actions for improvement are scheduled when deemed necessary.



### Care for our people

HALCOR invests in its Human Resources as it acknowledges that its business success and future development are based on its people. The Company has incorporated working practices in the way it handles labour issues as follows:

- It provides equal employment opportunities, without making any distinction, to all employees.
- It provides Human Resources training and development opportunities.
- It respects diversity and Human Rights.
- It applies a merit-based Human Resources evaluation system.
- It provides additional benefits to the employees.

### Ensuring Occupational Health and Safety

HALCOR makes considerable efforts to ensure the Health and Safety of its people and its partners. The Company's commitment to ensuring the Health and Safety of its employees is also reflected in the certified Occupational Health and Safety Management System it applies. The ongoing efforts to improve Company performance in Health and Safety bear fruit through the substantial implementation of the System, the investment plans and programs that are carried out and also through the responsible contribution and involvement of all employees in the relevant issues. Our unwavering objective is always "nil accidents". To this effect, the Company takes steps for the continuous training, awareness and update of the employees on Health and Safety issues with respect to their everyday activities, aiming at establishing a safety culture. In 2013, 692 training hours were provided on various Health and Safety topics to HALCOR personnel, of which 597 hours concerned solely persons working in production.



### Supporting the Local Communities

HALCOR collaborates and supports the local communities in the areas where it operates in various ways such as the employment of local human resources and suppliers. Meanwhile, acknowledging the needs of local communities and responding with great sensitivity, HALCOR undertakes annually contribution actions in the form of sponsorships and donations, supporting and contributing to sensitive social groups, local bodies and institutions.



### Environmental protection

The respect and protection of the environment are a primary objective for HALCOR. Aiming at the integrated management of its environmental issues, the Company implements a certified Environmental Management System in compliance with the requirements of ISO 14001:2004, aspiring at integrated environmental management. Concurrently, a specific Environmental Policy has been established and implemented while significant investments and expenditures for environmental protection are made on an annual basis.

HALCOR is the largest copper and copper alloy recycler in Greece. In 2013, 67% of the metals consumed in the production process of HALCOR originated from recycled metals.

Details about the Company's corporate responsibility activities in each Corporate Responsibility area are presented in the HALCOR 2013 Corporate Responsibility and Sustainable Development Report which forms a separate section of this Report.

# 11. Notice of General Meeting to Shareholders

NOTICE OF ANNUAL GENERAL MEETING  
TO THE SHAREHOLDERS OF HALCOR, METAL WORKS, S.A.  
Company's No in the Register of S.A.: 2836/06/B/86/48  
G.E.M.I. No 303401000  
(Gen. Electronic Commercial Reg.)

In compliance with the provisions of the Law and the Articles of Association of the Company, the Shareholders of HALCOR, METAL WORKS, S.A. are hereby invited, by the Board of Directors, to attend the Company's Annual General Meeting, to be held on Tuesday, May 27, 2014, at 12:00 hours, at the PRESIDENT HOTEL, 43 Kifissias Av., Athens.

## **AGENDA:**

1. To approve the annual financial statements for the Company's financial year 2013, as well as the reports of the Directors and the Certified Auditors on them.
2. To discharge the Directors and the Certified Auditors from all responsibility for damages for the financial year 2013.
3. To appoint Certified Auditors, as well as the substitutes of them, for the financial year 2014 and approve their remuneration.
4. To elect the members of a new Board of Directors.
5. To appoint the members of the inspection committee, according to article 37 of L. 3693/2008.
6. To approve Directors' remuneration, according to the article 24, par.2 of C. L. 2190/1920.
7. To offset reserves of the company with losses, according to the art. 72 of L. 4172/2013.
8. Various announcements.

## **RIGHT TO ATTEND THE GENERAL MEETING**

Anybody appearing as a shareholder in the file of the Dematerialized Securities System, managed by "HELLENIC EXCHANGES, S.A." (former Central Securities Depository), in which the company's shares are kept has the right to attend the General Meeting. A certificate in written form issued by the above entity should be used as a proof of the capacity to act as a shareholder, or alternatively the direct access to the electronic files of the entity. This capacity should exist on 22/05/2014 (Registration date), namely at the beginning of the fifth (5th) day before the date of the General Meeting and the pertinent written certificate, regarding the capacity of shareholder, has to reach the company on 24/05/2014 at the latest, namely on the third (3rd) day before the holding of the General Meeting. The company considers as a shareholder having the right to attend the General Meeting and vote only whoever has the capacity as a shareholder on the respective Registration Date. In the case the provisions of the article 28a of C. L. 2190/1920 have not been followed, the shareholder in question attends the General Meeting only following its relevant permission.

To exercise the rights in question does not presuppose that the shares of the beneficiary should be blocked or another similar procedure should be followed, limiting the possibility for sale and transfer of the shares during the period of time between the Date of Registration and the General Meeting.

## **PROCEDURE TO BE FOLLOWED IN ORDER TO EXERCISE VOTING RIGHTS THROUGH A PROXY**

The shareholder attends the General Meeting and votes in person or through proxies. Each shareholder can appoint up to three (3) proxies. Corporal bodies can attend the General Meeting by appointing as their

proxies up to three (3) natural persons. Nevertheless, in the case the shareholder holds shares of a company appearing in more than one securities account, the above restriction does not prevent the shareholder from appointing different proxies for the shares appearing in each securities account in respect with the General Meeting. A proxy acting on behalf of more shareholders can give different votes regarding each shareholder. The proxy of a shareholder has to inform the company, before the General Meeting starts, about any specific fact, which can be useful to the shareholders for the estimation of the risk, regarding the fact that the proxy could serve other parties interests except those of the shareholder. According to the present paragraph a conflict of interests could happen especially when the proxy:

- a) He is a shareholder controlling the company or it is another corporal body or entity, which is controlled by this shareholder.
- b) He is a Board of Directors member or in the Company's management, in general, or a shareholder, who exercises control of the Company or other corporal body or entity controlled by a shareholder, who exercises control over the company.
- c) He is an employee or certified auditor of the company or a shareholder having control of the company or other corporal body or entity controlled by a shareholder, who has control of the company.
- d) He is married to or he is a first degree relative of one of the natural persons mentioned in the cases (a) to (c).

The appointment or recalling of the shareholder's proxy is executed in writing and notified to the Company, through the same procedure, at least three (3) days before the date of the General Meeting.

The company will make available in its web site [www.halcor.gr](http://www.halcor.gr) the form to be used for the appointment of a proxy. This form is to be submitted filled and signed by the shareholder to the Company's Investors Relations Service at the address: 16 Himaras street, 15125 Maroussi or sent by fax at the no 2106861347 at least three (3) days before the holding of the General Meeting. The beneficiary is called to take care to reconfirm the successful delivery of the form appointing the proxy to the company at the phone no 210 6861349, Mr. Konstantinos Kanellopoulos.

Each share issued by the Company has one voting right.

It is not provided by the Company's Articles of Association the possibility to attend the General Meeting through electronic means, without the natural presence of the shareholders in the place of its holding or the possibility to participate in voting at a distance.

#### **MINORITY SHAREHOLDERS RIGHTS**

According to the provisions of article 26 of C. L. 2190/1920, as it is in force today, the Company informs its shareholders the following.

- a) Following an application of shareholders representing 1/20 of the company's paid up share capital the company's Board of Directors has the obligation to include in the Agenda additional items, in the case the pertinent application reaches the Board until 12/05/2014 namely at least fifteen (15) days before the General Meeting. The application for the registration of additional items in the Agenda should be accompanied by a relevant Justification or a draft resolution for approval by the General Meeting. The revised Agenda is published in the same way with the previous agenda, namely on 14/05/2014 thirteen (13) days before the date of the General Meeting and at the same time it is made available to the shareholders at the company's web site together with the justification and the draft decision submitted by the shareholders, according to the provisions of art. 27 par. 3 of C. L. 2190/1920.
- b) Following an application of shareholders representing 1/20 of the paid up share capital the Board of Directors makes available to the shareholders, according to the provisions of art. 27 par. 3 of C. L. 2190/1920, at the latest until 21/05/2014 namely six (6) days before the date fixed for the General Meetings holding the draft resolutions regarding the items included in the initial or the revised agenda, if the application reaches the Board of Directors until 20/05/2014 namely at least seven (7) days before the date of the General Meeting.
- c) Following an application submitted to the Company by any shareholder until 21/05/2014, namely at least five (5) full days before the General Meeting, the Board of Directors has to provide to the General Meeting

## 11. Notice of General Meeting to Shareholders

the specific information requested, regarding the Company's affairs, at the extent that those could be useful to a substantial estimation of the items of the agenda.

The Board of Directors can provide a uniform answer to shareholders' application having the same contents. There is no obligation to provide information already available in the Company's web site, especially in question – answer form.

In addition, following a request of shareholders, representing 1/20 of the paid up share capital, the Board of Directors should announce to the General Meeting the amounts of remuneration paid, during the last two years, to each Board of Directors member or the managers of the Company, as well as any payment to the above persons for any reason or contract between them and the Company.

In all the above cases the Board of Directors can deny to provide the information, due to a substantial reason, which should be mentioned in the minutes.

- d) Following an application of shareholders representing one fifth (1/5) of the paid up share capital, submitted to the Company until 21/05/2014, namely at least five (5) days before the General Meeting, the Board of Directors should provide to the General Meeting information regarding the Company's business and assets. The Board of Directors can deny to provide the information, due to a substantial reason, which should be mentioned in the minutes.

The above mentioned time limits to exercise the minority rights are also applicable in the case of Repeat General Meetings.

In all the above mentioned cases the shareholders submitting an application have to prove the fact that they are shareholders of the Company, as well as the number of shares they own, when they proceed to exercise their relative right. Such proof can be a certificate issued by the entity, where the securities are kept or by direct electronic contact between the entity and the Company.

### **DOCUMENTS AND INFORMATION AVAILABLE**

The information provided by the article 27 par.3 of C. L. 2190/1920 (the text of the Notice for Annual General Meeting, the total number of the Company's shares and the respective voting rights, comments of the Company's Board of Directors on the items of the agenda, the form appointing a proxy) will be available, in electronic form, in the Company's web site, [www.halcor.gr](http://www.halcor.gr).

Copies of the above documents will be available in the offices of the Company's Investors Relations Service, at the address:16, Himaras street, 15125 Maroussi.

Athens, May 6, 2014

The Board of Directors



# Annual Financial Report

(as at 31 December 2013)

**THE CHAIRMAN  
OF THE BOARD  
OF DIRECTORS**

**THEODOSIOS  
PAPAGEORGOPOULOS**  
ID Card No. AE 135393

**A MEMBER  
OF THE BOARD  
OF DIRECTORS**

**GEORGE PASSAS**  
ID Card No. Φ 020251

**THE GENERAL  
MANAGER**

**PERIKLIS SAPOUNTZIS**  
ID Card No. AH 582570

**THE FINANCIAL  
MANAGER  
OF THE GROUP**

**SPYRIDON KOKKOLIS**  
ID Card No. X701209

**HALCOR  
METAL WORKS SA**  
G.C.Registry: 303401000  
No in SA Registry: 2836/06/B/86/48  
ADDRESS: Athens Tower, Building B, 2-4, Messoghion Avenue



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The annual financial statements of the Company (in consolidated and non-consolidated basis), the report of the Chartered Accountant and the management report of the Board of Directors is currently in the Company's website ([www.halcor.gr](http://www.halcor.gr)) and the Athens Exchange website ([www.helex.gr](http://www.helex.gr)).

# HALCOR METAL WORKS S.A.

G.C.Reg.: 303401000, Company's No in the Reg. of SA: 2836/06/86/48, Address: Athens Tower, Building B, 2-4, Messoghion Avenue, 11527, Athens

FINANCIAL DATA AND INFORMATION for the fiscal year from January 1, 2013 to December 31, 2013. (According to article 135 of Law 2190/20 for companies publishing annual financial statements, individual and consolidated, in accordance with IAS/IFRS) The figures illustrated below aim to give general information about the financial position and results of HALCOR, S.A. and the Group HALCOR. The reader, wishing to be familiar with the company's financial position and results, should have access to the Company's Financial Statements, as provided by the International Financial Reporting Standards, as well as to the audit report of the auditor-accountant whenever it is required. Inductively, he can visit the company's web site, where the information and data in question are presented.

Supervising Authority: Ministry of Development and Competitiveness, Department of limited companies, Website of the Company: www.halcor.gr

Board of Directors: T. Papageorgopoulos (Chairman, Executive member), N. Koudounis (Vice Chairman, Executive member), P. Sapountzis, E. Kotsambasakis, T. Kassapoglou (Executive members), G. Passas, K. Bakouris, C.A. Komninos, A. Katsanos (Non-executive members), A. Kiriazis and N. Galetas (Independent, non-executive members), Date of approval of the financial statements: March 27, 2014, Certified Auditor: Nick Vouinseas (Reg. No SOEL 18701), Audit firm: KPMG Certified Auditors, S.A., Review type: Unqualified opinion

## DATA FROM STATEMENT OF FINANCIAL POSITION (

(amounts in Euro)

	GROUP		COMPANY	
	31-Dec-13	31-Dec-12	31-Dec-13	31-Dec-12
<b>ASSETS</b>				
Own use Fixed assets	389,099,020	359,491,380	92,236,488	96,289,629
Investments in real estate	383,271	383,271	-	-
Intangible Assets	14,455,753	11,745,850	277,324	139,649
Other non current assets	18,787,531	19,775,897	183,591,942	155,178,153
Inventories	208,236,149	229,064,818	54,243,721	56,896,133
Trade receivables	96,696,862	115,942,408	57,724,234	69,592,682
Other current assets	35,309,348	19,444,954	8,741,998	10,276,644
Cash and cash equivalents	49,125,244	27,859,388	3,052,697	5,924,534
<b>TOTAL ASSETS</b>	<b>812,093,177</b>	<b>783,707,965</b>	<b>399,868,405</b>	<b>394,297,423</b>
<b>EQUITY AND LIABILITIES</b>				
Share capital (101,279,627 of Euro 0,38)	38,486,258	38,486,258	38,486,258	38,486,258
Other Company's shareholders equity	13,011,469	70,555,280	56,282,658	84,670,430
Company's shareholders equity (a)	51,497,727	109,041,538	94,768,916	123,156,688
Minority interests (b)	24,743,739	30,521,231	-	-
Total equity (c) = (a) + (b)	76,241,466	139,562,769	94,768,916	123,156,688
Long term borrowings liabilities	404,630,796	157,547,406	178,929,499	91,889,173
Provisions / Other long term liabilities	49,657,978	28,836,054	18,514,076	11,009,695
Short term borrowings liabilities	167,555,946	358,473,496	76,091,219	136,895,064
Other short term liabilities	114,006,992	99,288,240	31,564,694	31,346,803
<b>Total liabilities (d)</b>	<b>735,851,711</b>	<b>644,145,196</b>	<b>305,099,489</b>	<b>271,140,735</b>
<b>TOTAL EQUITY AND LIABILITIES (c) + (d)</b>	<b>812,093,177</b>	<b>783,707,965</b>	<b>399,868,405</b>	<b>394,297,423</b>

## DATA FROM STATEMENT OF CHANGES IN EQUITY

(amounts in Euro)

	GROUP		COMPANY	
	31-Dec-13	31-Dec-12	31-Dec-13	31-Dec-12
Net equity at the beginning of the Period (1/1/2013 and 1/1/2012 respectively)	139,562,769	170,762,663	123,156,688	134,727,213
Total comprehensive income after taxes	(63,196,647)	(31,552,130)	(28,387,772)	(11,570,525)
	76,366,122	139,210,533	94,768,916	123,156,688
Dividends distributed	(124,656)	(360,230)	-	-
Acquisition of company	-	-	-	-
Subsidiary absorption	-	-	-	-
Increase / (decrease) of participation in subsidiaries	-	712,466	-	-
Net equity at the end of the period (31/12/2013 and 31/12/2012 respectively)	76,241,466	139,562,769	94,768,916	123,156,688

## DATA FROM CASH FLOW STATEMENT

(amounts in Euro)

	GROUP		COMPANY	
	1.01 - 31.12.2013	1.01 - 31.12.2012	1.01 - 31.12.2013	1.01 - 31.12.2012
<b>Operating activities</b>				
Profits / (Losses) before taxes	(53,636,733)	(31,116,742)	(20,309,429)	(10,133,735)
Plus / less adjustments for:				
Depreciation of tangible assets	21,775,070	26,143,944	5,376,503	7,602,099
Depreciation of intangible assets	924,180	564,580	110,846	111,345
Grants Amortization	(441,990)	(1,136,281)	(111,102)	(222,552)
Provisions	1,692,345	585,323	922,036	275,731
Results (income, expenses, profits, losses) from investing activities	(243,299)	(475,345)	(103,686)	(257,807)
Interest payable and related expenses	38,326,132	40,220,337	16,171,211	16,271,028
(Profit)/loss from the sale of fixed assets	(1,383,972)	(136,963)	(5,936)	(56,361)
(Profit)/loss from the sale of investments	(613,599)	(1,583,953)	(613,599)	(1,583,953)
(Profit)/loss from the fair value of derivatives	284,634	(593,595)	34,228	18,225
Loss from the destruction of fixed assets	284,508	179,756	-	-
Impairment of investments	-	-	995,300	-
<b>Plus / Less adjustments for changes in working capital accounts or related to operating activities:</b>				
Decrease / (increase) of inventories	20,377,084	5,675,472	1,942,244	10,798,368
Decrease / (increase) of receivables	2,192,212	23,782,478	11,982,228	7,240,952
(Decrease) / Increase of obligations (except banks)	26,131,357	(6,510,956)	1,212,904	(15,982,072)
<b>Less:</b>				
Interest payable and related expenses paid	(39,576,551)	(40,017,599)	(16,418,811)	(16,873,900)
Taxes paid	(290,258)	(712,731)	-	-
<b>Total cash (used in) generated from operating activities (a)</b>	<b>15,801,120</b>	<b>14,867,722</b>	<b>1,184,935</b>	<b>(2,792,634)</b>
<b>Investing activities</b>				
Acquisition-sale of subsidiaries, affiliated com., consortiums and other investments	1,195,525	1,585,072	(28,825,877)	879,332
Purchase of tangible and intangible fixed assets	(61,289,561)	(24,784,489)	(1,573,759)	(2,464,887)
Receivables from sale of tangible and intangible fixed assets	7,272,081	515,582	7,812	309,387
Interest received	173,632	307,176	28,486	40,526
Dividends received	-	-	75,200	217,281
<b>Total cash (used in) generated from investing activities (b)</b>	<b>(52,648,323)</b>	<b>(22,376,659)</b>	<b>(30,288,138)</b>	<b>(1,018,361)</b>
<b>Financing activities</b>				
Receivables from issued / assumed loans	330,579,704	70,443,831	180,550,000	33,000,000
Loans paid up	(274,091,889)	(74,798,618)	(154,313,518)	(37,621,931)
Repayments of financial leasing liabilities (capital installments)	(321,975)	(625,340)	-	-
Receivables from grants	2,100,000	3,495,249	-	-
Dividends paid	(152,781)	(354,578)	(5,115)	(2,411)
<b>Total cash (used in) generated from financing activities (c)</b>	<b>58,113,059</b>	<b>(1,839,456)</b>	<b>26,231,367</b>	<b>(4,624,342)</b>
<b>Net increase / (decrease) in cash and cash equivalents for the year (a)+(b)+(c)</b>	<b>21,265,856</b>	<b>(9,348,392)</b>	<b>(2,871,836)</b>	<b>(8,435,337)</b>
Cash and cash equivalents at the beginning of the year	27,859,388	37,207,780	5,924,534	14,359,870
<b>Cash and cash equivalents at the end of the year</b>	<b>49,125,244</b>	<b>27,859,388</b>	<b>3,052,697</b>	<b>5,924,534</b>

**HALCOR** METAL WORKS S.A.

FINANCIAL DATA AND INFORMATION for the fiscal year from January 1, 2013 to December 31, 2013, (According to article 135 of Law 2190/20 for companies publishing annual financial statements, individual and consolidated, in accordance with IAS/IFRS)

**DATA FROM STATEMENT OF COMPREHENSIVE INCOME**

(Amounts in Euro)

	GROUP		COMPANY	
	1.01 - 31.12.2013	1.01 - 31.12.2012	1.01 - 31.12.2013	1.01 - 31.12.2012
<b>Total turnover</b>	<b>1,102,022,217</b>	<b>1,259,305,775</b>	<b>446,045,352</b>	<b>545,522,376</b>
<b>Gross Profit / (loss)</b>	<b>16,541,391</b>	<b>44,396,351</b>	<b>9,565,579</b>	<b>18,252,386</b>
<b>Profit / (loss) before taxes, financing and investing results</b>	<b>(15,553,900)</b>	<b>8,628,250</b>	<b>(3,246,604)</b>	<b>5,879,485</b>
<b>Profit / (loss) before taxes</b>	<b>(53,636,733)</b>	<b>(31,116,742)</b>	<b>(20,309,429)</b>	<b>(10,133,735)</b>
Less: Taxes	(10,032,216)	1,609,613	(8,177,595)	(889,830)
<b>Profit / (loss) after taxes (A)</b>	<b>(63,668,948)</b>	<b>(29,507,129)</b>	<b>(28,487,024)</b>	<b>(11,023,564)</b>
Distributed to:				
Company's shareholders	(57,979,469)	(26,022,546)	(28,487,024)	(11,023,564)
Minority shareholders	(5,689,479)	(3,484,583)	-	-
<b>Other comprehensive income / (expenses) after taxes (B)</b>	<b>472,301</b>	<b>(2,045,001)</b>	<b>99,252</b>	<b>(546,960)</b>
<b>Total comprehensive income / (expenses) after taxes (A) + (B)</b>	<b>(63,196,647)</b>	<b>(31,552,130)</b>	<b>(28,387,772)</b>	<b>(11,570,525)</b>
Distributed to:				
- Company's shareholders	(57,442,895)	(27,555,894)	(28,387,772)	(11,570,525)
- Minority shareholders	(5,753,753)	(3,996,236)	-	-
<b>Profit per share after taxes - basic (in Euro)</b>	<b>(0,5725)</b>	<b>(0,2569)</b>	<b>(0,2813)</b>	<b>(0,1088)</b>
<b>Proposed dividend per share (in Euro)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Profit / (loss) before taxes, financing and investing results &amp; depreciation</b>	<b>6,703,360</b>	<b>34,200,492</b>	<b>2,129,642</b>	<b>13,370,376</b>

**Additional data and information :**

- The Group's companies and their locations, the percentage participation of their share capital that the Group owns as well as the consolidation method used to incorporate them in the consolidated financial statements of the fiscal year of 2013, are analytically presented in Note No. 33 of the financial statements.
- The financial statements of the Company are included in the consolidated financial statements prepared by the following company:

Company	Country of the Reg. Office	Percentage holding	Consolidation method
VIOHALCO S.A./NV	BELGIUM	66.41%	Full consolidation

- There are no pending court decisions or claims under arbitration, which may have a significant effect on the financial position of the Company and the Group.
- The number of the personnel at the end of the current year was: Company 414 (31/12/2013 : 434), Group 2.440 (31/12/2013: 2.477).
- On the property of the Group, there are mortgages totaling Euro 379 million (Euro 217 million for the parent company) to secure long-term loans (See Note No 24 of Financial Statements).
- There has been provision accounted for tax unaudited fiscal years of the Group: Euro 240 thousand, of the Company: Euro - thousand. The remaining provisions as of 31.12.2013 amount for the Group Euro 282 thousand and for the Company Euro 90 thousand (see note 28 of the Financial Statements).
- The cumulative amounts of sales and purchases at the beginning of the financial year and the balances of receivables and obligations of the company at the end of the current year, resulting from its transactions with related parties following the IAS 24 are as follows:

	GROUP	COMPANY
i) Sales	148,387,453	195,780,253
ii) Purchases	155,281,566	45,158,605
iii) Receivables	19,618,831	53,486,137
iv) Obligations	13,320,778	2,796,876
v) Transactions & fees of higher executives and managers	4,269,087	1,860,452
vi) Receivables from higher executives and managers	-	-
vii) Liabilities to higher executives and managers	-	-

- The income tax in the income statement is analysed as follows (amounts in Euro):

	GROUP		COMPANY	
	1 Jan - 31 Dec 2013	1 Jan - 31 Dec 2012	1 Jan - 31 Dec 2013	1 Jan - 31 Dec 2012
Income tax for the period	(677,912)	(984,246)	(193,012)	(428,274)
Deferred tax for the period	(9,354,303)	2,593,859	(7,984,583)	(461,556)

- The unaudited tax years of the Company and the companies of the Group are analytically presented in note No 33 of the financial statements.
- The "Other Comprehensive Expenses" that was accounted directly at the Shareholders Equity without affecting the result of the period, concerns remeasurements of defined benefit liability (Group: Euro 799 thousand and Company: 252 thousand), foreign exchange differences from consolidation of foreign subsidiaries (Group: Euro -139 thousand) and derivatives valuation from cash flow hedging (Group: Euro -187 thousand and Company: Euro -153 thousand) (see Statement of Other Comprehensive income of the Financial Statements).
- At the end of the current year, there are no shares of the parent Company owned either by the same or any of the subsidiaries and affiliated companies.
- In 2013 a provision for impairment of inventories was formed amounting to Euro 3 million for the Group and Euro 0.7 million for the Company.
- Due to the amendment of IAS 19 on the immediate recognition of past service cost, the Group has restated results, equity and liabilities for employee retirement benefits (see note 6 of the Interim Financial Statements).

Athens, March 27, 2014

THE CHAIRMAN OF THE BOARD OF DIRECTORS  
THEODOSIOS PAPAGEORGPOULOS  
Id.C.No. AE 135393

A MEMBER OF THE BOARD OF DIRECTORS  
GEORGE PASSAS  
Id.C.No. 0 020251

THE MANAGING DIRECTOR  
SAPOUNTZIS PERIKLIS  
Id.C.No. AH 582570

THE GROUP CHIEF FINANCIAL OFFICER  
SPYRIDON KOKKOLIS  
Id.C.No. X 701209 Reg. No. 20872 Class A'

**STATEMENTS BY MEMBERS OF THE BOARD OF DIRECTORS  
(pursuant to Article 4( 2) of Law 3556/20077)**

The members of the Board of Directors of the company with the name HALCOR S.A. - METAL PROCESSING, trading as HALCOR S.A., whose registered offices are in Athens, at 2-4, Messoghion Avenue:

1. Theodosios Papageorgopoulos,  
Chairman of the Board of Directors
2. Nikolaos Koudounis, Board of Directors  
Member,
3. George Passas, Board of Directors  
Member,

in our said capacity, do hereby declare and confirm that as far as we know:

- (a) the attached annual company and consolidated financial statements for the company HALCOR S.A. for the period

from 1 January to 31 December 2013, which were prepared in accordance with the applicable International Financial Reporting Standards (IFRS), as adopted by the European Union, accurately present the assets, liabilities, equity and results for the period ended on 31 December 2013 for HALCOR S.A. and the entities included in the consolidation taken as a whole, in line with the provisions of Article 4(3) to (5) of Law 3556/2007; and

- (b) the attached annual report of the Board of Directors of HALCOR S.A. contains the true information required by Article 4(6) to (8) of Law 3556/2007.

**Athens, 27 March 2014**

**Confirmed by**

<b>The Chairman of the Board</b>	<b>The Board-appointed Member</b>	<b>The Board-appointed Member</b>
<b>Theodosios Papageorgopoulos</b>	<b>Nikolaos Koudounis</b>	<b>George Passas</b>
<b>ID Card No. AE 135393</b>	<b>ID Card No. AE 012572</b>	<b>ID Card No. Φ 020251</b>

## BOARD OF DIRECTORS ANNUAL REPORT

This Annual Report of the Board of Directors set out below (hereinafter referred to for the purpose of brevity as "Report") concerns year 2013 (1 January – 31 December 2013). This report was prepared in line with the relevant provisions of Codified Law 2190/1920 as it was revised by the Law 3873/2010, the provisions of Law 3556/2007 (Government Gazette 91/A/30.4.2007) and the decisions of the Hellenic Capital Market Commission (HCMC) issued pursuant to it, and in particular Decision No. 7/448/11.10.2007 of the Board of Directors of the HCMC.

This report details financial information on the Group and Company of HALCOR S.A. - METAL PROCESSING (hereinafter referred to for the purpose of brevity as "Company" or "HALCOR") for year 2013, important events that took place during the said year and their effect on annual financial statements. It also stresses the main risks and uncertainties with which Group companies were faced and finally sets out the important transactions between the issuer and its affiliated parties.

### **A.Financials - Business report - Major events**

In 2013 the Eurozone was found for the second consecutive year in recession but to a lesser extent compared to the previous year. The industrial production stabilized after the downward trend in 2012, while the U.S. showed further signs of improvement, which the Group suitably took advantage increasing its presence. At the

same time, construction activity remained weak, particularly in southern Europe, while in Greece the decline continued for the seventh consecutive year and we are now at the lowest level in at least forty years.

In this challenging environment, the consolidated turnover in 2013 amounted to Euro 1,102 million against Euro 1,259 million in 2012, a decrease of 12.5%. The decrease was due to the decline in total sales volume by 7% and the reduced average metal prices compared with the previous year.

In terms of volumes in 2013, there was a significant change in sales mix. So the sales of cables and wires accounted for 36% of total sales volume regarding 44% that reached in 2012, mainly due to more sales of aluminum cables instead of copper. Sales of copper tubes accounted for 26%, rolling products for 21%, copper bus bars for 11% and brass rods for 6%. However, there was a change within the product groups, with increasing industrial tubes and rolled copper products for industrial applications, as installation products adversely affected by the contraction of the construction sector in most European markets.

Metal prices fell significantly in 2013, driven mainly by the difficult macroeconomic environment, especially in developed markets and the lack of liquidity in international financial markets. Thus, the average price of copper was lower by 10.8% to Euro 5,514 per ton compared to

Euro 6,181 per ton, while the average price of zinc was lower by 5% to Euro 1,437 per ton compared to Euro 1,513 per ton.

Consolidated gross profit decreased by 62.7% and amounted to Euro 16.5 million versus Euro 44.4 million in 2012. The decrease was primarily due to a loss of Euro 20.4 million versus a loss of Euro 3.2 million in 2012, from the valuation of the basic operating stock of all productive companies of the Group as a result of the aforementioned drop in metal prices. Consolidated earnings before taxes, depreciation and amortization (EBITDA) amounted in 2013 to Euro 6.7 million versus Euro 34.2 million in the comparable prior year, a decrease by 80.4%, while earnings before interest and taxes (EBIT) amounted to losses of Euro 15.6 million compared to profits of Euro 8.6 million in the previous year. Consolidated results (profit / loss before taxes) amounted to losses of Euro 53.6 million in 2013 compared to a loss of Euro 31.1 million in 2012. Finally, the loss after tax and minority interests amounted to Euro 58 million or Euro -0.5725 per share compared to a loss of Euro 26 million or Euro -0.2569 per share in 2012, negatively affected by the amount of Euro 6.5 million due to the recalculation of deferred tax of the Group as a result of the change in tax rate in Greece from 20% to 26%.

The volatility and challenges in the macroeconomic environment continued in 2013, with the Eurozone economies showing further deceleration (except Germany) and with Greece remaining in a deep recession. In particular, the demand for installation products continued to

move into negative territory as the construction industry has been affected more than anyone else. Consequently, the Group sales volume decreased, but to a lesser extent than the market, while the conversion prices pressed noticeably due to intense competition. In contrast, despite the fact that the demand for industrial products were declining in key European markets, the Group increased sales volume and gain bigger market shares in this specific category. As for the cables, reduced demand in key markets, intense competition and the delay in awarding major contracts erode profitability. Moreover, the delay in signing in the annual contract with DEDDIE resulted in less than half of the contract quantities being delivered within 2013, thus significantly impacting annual sales. The remaining contract quantities are scheduled for delivery within 2014.

As regards cost, particular attention was paid to the optimization of production processes in order to further reduce industrial costs in order to remain competitive in the demanding markets we serve. However, high energy prices, especially due to tax burden, as well as the high financial cost continued to affect the cost and competitiveness of Group products.

Great importance had for HALCOR Group the further reduction in working capital mainly through the optimal inventory management, the moderate credit policy and the expansion of payment terms to suppliers. So we succeeded to achieve for third consecutive year positive cash flows from operating activities (Euro 15.8 million) compared to positive operating cash flow of Euro 14.9 million in 2012.

TABLE 1.1

RATIOS	GROUP		COMPANY	
	31/12/13	31/12/12	31/12/13	31/12/12
<b>Liquidity</b>				
Current Assets / Current Liabilities	1.38	0.86	1.15	0.85
<b>Leverage</b>				
Equity / Bank Loans	0.13	0.27	0.37	0.54
<b>Return on Invested Capital</b>				
Profit Before Taxes and Financial Expenses / Equity + Bank Loans	-2.4%	1.4%	-1.2%	1.7%
<b>Return on Equity</b>				
Net Profits / Equity	-83.8%	-21.1%	-30.1%	-9.0%

At the end of 2013 the Group refinanced part of its borrowings by signing syndicated collateralized bond loans amounting to Euro 270.1 million over 5 years, with the possibility of two-year extension. The subsidiary SOFIA MED SA secured a 5 years loan of Euro 40 million, extendable by two years, by the European Bank for Reconstruction and Development within 2013, while turning part of its short-term borrowing in a long-term five-year syndicated loan of Euro 60 million.

In 2013, HALCOR Group carried out total investments of Euro 57.7 million, of which Euro 49.3 million related to the HELLENIC CABLES Group under the continuing investment program with the main objective of producing high voltage submarine cables. Following the successful roll out of the investment plan, HELLENIC CABLES is now one of the very few cable manufacturers worldwide able to produce high voltage submarine cables. Respectively, Euro 1.6 million spent in upgrading the production facilities of the parent company and its subsidiary in Inofyta FITCO SA, focusing mainly in the Tubes Plant. Finally, Euro 6.8 million related to the improvement of productivity, the production of high added value products and the

increase in capacity of its subsidiary SOFIA MED SA in Bulgaria.

## B. Financial standing

The ratios showing the financial standing of both Group and Company evolved as presented in **Table 1.1**.

## C. Corporate Social Responsibility and Sustainable Development

### Environment

HALCOR, considering the major environmental problems that humanity is facing, seeks to actively contribute to international efforts to protect the environment, both through its responsible operation and minimizing its environmental footprint.

The protection of the environment implemented with significant investments in integrated measures to prevent pollution and to optimize production processes through the use of BAT (Best Available Techniques), established by the European Union. In the adoption of best available techniques, the production processes are assessed based on the total environmental footprint, including the consumption of electricity, water and other natural resources, not only in terms of waste.

## **Human Resources**

One of the main advantages of HALCOR is the quality of human capital that is credited in large part for its hitherto successful course. For this reason, the company attaches great importance to the selection, evaluation and reward its staff.

HALCOR's policy is to attract high quality individuals for optimal and timely needs, the establishment of objective evaluation and selection criteria as well as to ensure fairness and merit-based recruitment, through transparent procedures.

HALCOR within its responsible operation has established a code of values and behavior of employees. The Code is mandatory for all workers across the range of activities of the Company. This Code has been incorporated in the Bylaws of the Company and outlines the basic principles and rules governing the internal life and practices of the organization, taking into account the existing provisions under national and international legislative framework.

In the context of equal opportunities policy that is being applied, the Company desires and seeks a balanced distribution among employed men and women. However, given the nature of business, the involvement of men is increased.

Moreover, HALCOR seeks and ensures jobs and recruitment from the wider society, Viotia and Evia, supporting virtually the employment in the region.

## **Health and Safety**

HALCOR cares of creating and maintaining a modern and safe working environment which is continuously improved reflecting the high levels of security that seeks to

provide for their employees. For this reason, it maintains and implements a Management System for Safety and Health at Work, in accordance with the standards OHSAS 18001:2007 / ELOT 1801:2008.

In 2012, further steps were taken to improve the security culture while the training of employees to create a safe working environment intensified. HALCOR's virtue is the recording and reporting of "near misses" something that is key element for improving and advancing worker safety.

## **D. Main risks and uncertainties**

The Group is exposed to the following risks from the use of its financial instruments:

### **Credit risk**

Group exposure to credit risk is primarily affected by the features of each customer. The demographic data of the Group's clientele, including payment default risk characterizing the specific market and the country in which customers are active, affect less the credit risk since no geographical concentration of credit risk is noticed. No client exceeds 10% of total sales and, consequently, commercial risk is spread over a large number of clients.

Based on the credit policy adopted by the Board of Directors, each new customer is tested separately for creditworthiness before normal payment terms are proposed. The creditworthiness test made by the Group includes the examination of bank sources. Credit limits are set for each customer, which are reviewed in accordance with current circumstances and the

terms of sales and collections are readjusted, if necessary. In principal, the credit limits of customers are set on the basis of the insurance limits received for them from insurance companies and, subsequently, receivables are insured according to such limits.

When monitoring the credit risk of customers, the latter are grouped according to their credit characteristics, the maturity characteristics of their receivables and any past problems of receivability they have shown. Trade and other receivables include mainly wholesale customers of the Group. Any customers characterized as being of "high risk" are included in a special list of customers and future sales must be received in advance and approved by the Board of Directors. Depending on the background of the customer and its status, the Group demands real or other security (e.g. letters of guarantee) in order to secure its receivables, if possible.

The Group makes impairment provisions which reflect its assessment of losses from customers, other receivables and investments in securities. This provision mainly consists of impairment losses of specific receivables that are estimated based on given circumstances that they will be materialized though they have not been finalized yet.

### **Investments**

These items are classified by the Company pursuant to the purpose for which they were acquired. The Management decides on adequate classification of the investment at the time of acquisition and reviews classification on each presentation date.

The Management estimates that there will be no payment default for such investments.

### **Guarantees**

The Group's policy consists in not providing any financial guarantees, unless the Board of Directors decides so on an exceptional basis; The guarantees provided by Group is of low value and does not pose a significant risk.

### **Liquidity risk**

Liquidity risk is the inability of the Group to discharge its financial obligations when they mature. The approach adopted by the Group to manage liquidity is to ensure, by holding absolutely necessary cash and adequate credit limits from cooperating banks, that it will always have adequate liquidity to cover its obligations when they mature, under normal or more difficult conditions, without there being unacceptable losses or its reputation being jeopardized. Note that on 31 December 2013, the Group had an amount of Euro 49.1 million as cash and the necessary credit lines that are approved but are not used so as to meet its short- and medium-term obligations easily.

To avoid liquidity risk the Group makes a cash flow provision for one year when preparing the annual budget as well as a monthly rolling provision for three months to ensure that it has adequate cash to cover its operating needs, including fulfillment of its financial obligations. This policy does not take into account the impact of extreme conditions which cannot be foreseen.

### **Market risk**

Market risk is the risk of a change in raw material prices, exchange rates and interest rates, which affect the Group's results or the value of its financial instruments. The purpose of risk management in respect of market conditions is to control Group exposure to such risks in the context of acceptable parameters while at the same time improving performance.

The Group enters into transactions involving derivative financial instruments so as to hedge a part of the risks arising from market conditions.

### **Fluctuation risk of metal prices (copper, zinc, other metals)**

The Group bases both its purchases and sales on stock market prices/indexes for the price of copper and other metals used and contained in its products. The risk from metal price fluctuation is covered by hedging instruments (futures on London Metal Exchange-LME). The Group, however, does not use hedging instruments for the entire stock of its operation and, as a result, any drop in metal prices may have a negative effect on its results through inventories impairment.

### **Exchange rate risk**

The Group is exposed to foreign exchange risk in relation to the sales and purchases carried out and the loans issued in a currency other than the functional currency of Group companies, which is mainly Euro. The currencies in which these transactions are held are mainly Euro, USD, GBP and other currencies of S/E Europe.

Over time, the Group hedges the

greatest part of its estimated exposure to foreign currencies in relation to the anticipated sales and purchases as well as receivables and liabilities in foreign currency. The Group enters mainly into currency forward contracts with external counterparties so as to deal with the risk of the exchange rates varying, which mainly expire within less than a year from the balance sheet date. When deemed necessary, these contracts are renewed upon expiry. As the case may be, the foreign exchange risk may be hedged by taking out loans in the respective currencies.

Loan interest is denominated in the same currency with that of cash flows, which arises from the Group's operating activities and is mostly Euro.

The investments of the Group in other subsidiaries are not hedged because these exchange positions are considered to be long-term.

### **Interest rate risk**

The Group finances its investments and its needs for working capital from bank and bond loans with the result that interest charges reduce its results. Rising interest rates have a negative impact on results since borrowing costs for the Group rise.

Interest rate risk is mitigated since part of the Group borrowing is set at fixed rates either directly or using financial instruments (interest rate swaps).

### **Capital management**

The Groups' policy is to maintain a strong capital base to ensure investor, creditor and market trust in the Group and to

TABLE 1.2 Transactions of the parent company with subsidiaries

Company	amounts in thousand Euro			
	Sales of Goods, Services & Fixed assets	Purchases of Goods, Services & Fixed assets	Receivables	Payables
HELLENIC CABLES GROUP	9,105	15,576	1,620	601
STEELMET GROUP	19	2,188	7	337
SOFIGA MED	50,541	4,916	25,677	-
FITCO	21,992	1,537	4,751	-
METAL AGENCIES	50,888	290	6,008	20
OTHER SUBSIDIARIES	268	241	694	96
<b>TOTAL SUBSIDIARIES</b>	<b>132,813</b>	<b>24,748</b>	<b>38,758</b>	<b>1,054</b>

allow Group activities to expand in the future. The Board of Directors monitors the return on capital which is defined by the Group as net results divided by total equity save non-convertible preferential shares and minority interests. The Board of Directors also monitors the level of dividends distributed to holders of common shares.

The Board of Directors tries to maintain equilibrium between higher returns that would be feasible through higher borrowing levels and the advantages and security offered by a strong and robust capital structure.

The Group does not have a specific plan for own shares purchase.

There were no changes in the approach adopted by the Group in how capital was managed during the financial year.

### E. Outlook and prospects for 2014

The shift in the economic climate and the tentative signs of growth which made their appearance in the fourth quarter of 2013 in Europe warranted optimism for 2014. Regarding the U.S., demand is expected to remain on an upward path. Construction activity is showing signs of stabilization and it is not expected a further decline next year. In contrast, the demand for industrial products is fore-

casted to move positively and will be the pillar of Group's growth for 2014. Regarding cables, the Group has made significant investments in the last two years and there is a restrained optimism based on existing contracts for high/ultra-high voltage cables and submarine cables, as well as the prospects opened for exports to countries within and outside the European Union due to the restart of activities in the energy sector.

More generally, for 2014, given the difficult conditions still prevailing in the domestic market and the apparent stabilization of the economies of most countries in the Eurozone, the Group will continue to have the primary strategic objective of increasing market share in industrial products and strengthen activity in new markets that have not been affected by the economic downturn. In addition, the current use of the optimal management of working capital and net debt reduction are the main priority.

### F. Important transactions with related parties

Transactions with affiliated parties mainly concern purchases, sales and processing of copper and zinc products (finished and semi-finished). Through such

<b>TABLE 1.3 Transactions of the parent company with other affiliated companies</b>				
(amounts in thousand Euro)				
<b>Company</b>	<b>Sales of Goods, Services &amp; Fixed assets</b>	<b>Purchases of Goods, Services &amp; Fixed assets</b>	<b>Receivables</b>	<b>Payables</b>
MKC GMBH	31,216	145	10,406	56
STEELMET ROMANIA S.A.	6,317	20	0	-
TEKA SYSTEMS S.A.	38	347	-	81
ANAMET S.A.	3,365	14,700	-	179
VIEXAL S.A.	3	475	-	45
CPW AMERICA S.A.	-	5	-	-
VIOHALCO S.A.	77	309	-	29
TEPRO METAL AG	-	200	297	45
ETEM S.A.	-	27	-	1
ELVAL S.A.	1,338	2,881	-	1,034
SIDENOR S.A.	47	5	41	-
CPW S.A.	-	1	-	-
SYMETAL	47	15	15	0
STOMANA	-	24	-	-
ETEM BULGARIA	20,065	-5	3,571	-
METALVALIUS S.A.	454	1,261	398	273
<b>OTHER AFFILIATED</b>	<b>62,968</b>	<b>20,410</b>	<b>14,728</b>	<b>1,743</b>

<b>TABLE 1.4 Transactions of HALCOR Group with other affiliated companies</b>				
(amounts in thousand Euro)				
<b>Company</b>	<b>Sales of Goods, Services &amp; Fixed assets</b>	<b>Purchases of Goods, Services &amp; Fixed assets</b>	<b>Receivables</b>	<b>Payables</b>
MKC GMBH	70,028	200	11,057	74
STEELMET ROMANIA S.A.	12,016	1,610	36	1,594
TEKA SYSTEMS S.A.	39	888	9	219
ANAMET S.A.	3,973	20,916	86	207
VIEXAL S.A.	8	1,588	-	169
CPW AMERICA S.A.	1,255	6	195	1
VIOHALCO S.A.	130	571	4	29
TEPRO METAL AG	3,083	611	305	142
ETEM S.A.	551	55	348	181
ELVAL S.A.	13,537	7,575	830	3,282
SIDENOR S.A.	1,049	1,517	411	271
CPW S.A.	1,020	829	367	178
SYMETAL	571	9,224	209	2,313
STOMANA	1,126	3,913	291	606
ETEM BULGARIA	2,365	27	294	418
METALVALIUS S.A.	35,744	94,816	3,667	623
MKC GMBH	1,892	10,935	1,509	3,014
<b>TOTAL AFFILIATED</b>	<b>148,387</b>	<b>155,282</b>	<b>19,619</b>	<b>13,320</b>

transactions, the companies take advantage of the Group's size and attain economies of scale.

Transactions between affiliated parties within the meaning of IAS 24 are broken down as presented in **Table 1.2** (pag. A13).

The HELLENIC CABLES Group buys from HALCOR raw materials according to their

needs. In its turn, it sells copper scrap to HALCOR from the products returned during its production process.

STEELMET S.A. provides HALCOR with administration and organization services.

SOFIA MED SA buys from HALCOR raw materials and semi-finished products of copper and copper alloys, depending on its

**TABLE 1.5 Fees of Executives and Board members** (amounts in thousand Euro)

	GROUP	COMPANY
Total fees of management executives & Board members	4,269	1,860

needs. HALCOR provides technical, administrative and commercial support services to SOFIA MED.

FITCO SA buys from HALCOR raw materials. HALCOR processes FITCO's materials and deliver back semi-finished products. It also provides FITCO with administrative support services.

METAL AGENCIES LTD acts as merchant - central distributor of HALCOR Group in Great Britain.

MKC GMBH trades HALCOR products in the German market.

STEELMET ROMANIA trades HALCOR products in the Romanian market.

TEKA SYSTEMS S.A. undertakes to carry out certain industrial constructions on behalf of HALCOR and provides consulting services in IT issues and SAP support and upgrade.

ANAMET S.A. provides HALCOR with considerable quantities of copper and brass scrap.

VIEXAL SA provides HALCOR with travelling services.

CPW AMERICA CO trades HALCOR products in the American market.

VIOHALCO S.A. provides HALCOR with buildings - industrial premises for renting.

TEPRO METALL AG trades (through its subsidiary MKC) HALCOR products and represents the latter in the German market.

METALVALIUS SA mainly buys from HALCOR but also provides HALCOR signifi-

cant amounts of scrap copper and brass.

Transactions of mother Company with other affiliated companies are presented in **Table 1.3** (p. A14).

Transactions of HALCOR Group with other affiliated companies are presented in **Table 1.4** (p. A14).

The fees paid to executives and members of the Board of Directors are presented in **Table 1.5**.

#### G. Subsequent events

On March, it has been commissioned by ADMIE (Independent Power Transmission Operator) to the subsidiary HELLENIC CABLES the second sub-project of the Cyclades Islands Interconnection Tender (DAPM-41303/15.10.2013) amounting to 93 million Euro. The project involves underground and submarine cable links of 150 kV between the islands Syros-Tinos, Syros-Mykonos, Syros-Paros and a 150 kV cable termination in Tinos. HELLENIC CABLES undertakes, in addition to the supply of cables, the cable laying, the protection of cables in coastal parts and the necessary connections with the existing network of ADMIE. The contract will be signed after the pre-contractual audit required by the Court of Audit. The high voltage submarine cables will be produced on the premises of company FULGOR S.A. in Corinth, a subsidiary of HELLENIC CABLES.

**BOARD OF DIRECTORS' EXPLANATORY REPORT  
(Article 4(7) and (8) of Law 3556/2007)**

**a) Structure of share capital**

Company share capital stands at Euro 38,486,258 divided into 101,279,627 common unregistered shares with a nominal value of Euro 0.38 each. All shares are traded on the ATHEX Equities Market in the Large Cap category. Company shares are unregistered, dematerialised shares incorporating voting rights.

According to the Company's Articles of Association, the rights and obligations of shareholders are as follows:

- Right to obtain a dividend from the Company's annual profits. The dividend to which each share is entitled shall be paid to the shareholder within two (2) months from the date of approval by the General Meeting of the financial statements. The right to collect a dividend shall be deleted after the elapse of 5 years from the end of the year in which the General Meeting approved distribution.
- Option in each share capital increase and right to subscribe new shares.
- Right to participate in the General Meeting of Shareholders.
- Ownership of shares automatically entails acceptance of the Company's Articles of Association and the decisions of its bodies taken in accordance with the law.
- Company shares are indivisible and the Company only recognises one owner of each share. All co-owners of a share by entirety as well as those having the usufruct or bare ownership are represented in the General Meeting by a single person that is appointed by the same following agreement. In case of

disagreement the share of the aforementioned owners is not represented.

- Shareholder liability is limited to the nominal value of each share they hold.

**b) Restrictions on the transfer of Company shares**

Company shares may be transferred in the manner laid down by law and there are no restrictions on their transfer contained in the Articles of Association.

**c) Major direct or indirect holdings within the meaning of Articles 9 to 11 of Law 3556/2007**

The major holdings (over 5%) known on 31 December 2013 were as follows:

- VIOHALCO SA/NV:  
66,41 % of voting rights of which it directly holds 59,86 % of share capital

**d) Shares granting special rights of control**

There are no shares in the Company granting their holders special rights of control.

**e) Restrictions on voting rights**

The Company's Articles of Association contain no restrictions on voting rights deriving from its shares. The rules in the Company's Articles of Association which regulate issues on the exercise of voting rights are contained in Article 24 of the Articles of Association.

**f) Agreements between Company shareholders**

The Company is not aware of the existence of agreements between its share-

holders which entail restrictions on the transfer of its shares or the exercise of voting rights deriving from its shares.

**g) Rules on the appointment and replacement of Board members and amendment of the Articles of Association**

The rules contained in the Company's Articles of Association on appointment and replacement of members of the Board of Directors and amendment of the provisions of the latter are not different from those contained in Codified Law (C.L.) 2190/1920.

**h) Powers of the Board of Directors to issue new shares or purchase own shares**

- Article 6(1) of the Company's Articles of Association states that only the General Shareholders Meeting with a 2/3 quorum of the paid-up share capital has the right to decide on a share capital increase of the Company with the issuance of new shares, such decision requiring the 2/3 of represented voting rights.
- The Articles of Association of the Company do not allow the transfer to the Board of Directors or to some of its members of any right falling under the competence of the General Meeting regarding the issuance of shares and share capital increase.
- The Board of Directors may acquire own shares in implementation of a decision of the General Meeting taken under Article 16(5) to (13) of C.L. 2190/20.
- In pursuance of Article 13(9) of C.L.

2190/1920 and a decision of the General shareholders Meeting made on 20 June 2002, during the month of December of years 2006-2013 the Board of Directors of the Company shall increase the Company's share capital without amending its Articles of Association by issuing new shares in the context of implementation of an approved Stock Option Plan, details of which are laid down in Note 26 of the Financial Statements.

**i) Major agreements which take effect have been amended or expire in the case of change in control**

The bank loans of both the Company and HALCOR Group, taken out fully by Banks and set out in Note 24 of the Annual Financial Report (Group: Euro 397.5 million on a long-term basis and Euro 31.9 million on a short-term basis and Company: Euro 178.9 million long-term and Euro 27.5 million short-term) include clauses of change in control granting lenders the right to early terminate them.

There are no other major agreements which take effect, have been amended or expire in the case of change in control of the Company.

**j) Agreements with Board of Directors members or Company staff**

There are no agreements between the Company and members of the Board of Directors or staff which provide for the payment of remuneration specifically in the case of resignation or dismissal without just cause or termination of service or employment.



## CORPORATE GOVERNANCE STATEMENT

### Corporate Governance Code

The Company has adopted the practices of Corporate Governance as for its management and operation, as these are specified under the applicable institutional framework and the Corporate Governance Code recently published by the Hellenic Corporate Governance Council (HCGC) (hereinafter the "code") and is available on the following website:

[http://www.ecgi.org/codes/documents/hellenic\\_cg\\_code\\_oct2013\\_en.pdf](http://www.ecgi.org/codes/documents/hellenic_cg_code_oct2013_en.pdf)

In the context of preparation of the Annual Report of the Board of Directors, the Company reviewed the Code. From this review, the Company concluded that it applies all special practices for listed companies and described in the Code of Corporate Governance of HCGC except the following practices with the corresponding explanations:

- **Part A.2 2.2, 2.3 & 2.5: Size and composition of the Board.** The independent non-executive members of the current Board of Directors are two (2) out of eleven (11) and therefore, their number is less than the one third of all its members, as indicated in the Code. An independent non-executive member has served on the Board for more than 12 years from the date of the first election. There was judged, at this juncture, that the enlargement of the number of independent members or the limitation of the service member would not improve the efficient operation of the company.
- **Part A.3 3.3: Role and qualities required from the President of the Board.** The Vice President of this Board has not the status of independent non-

executive member, although the President is an executive member. There was judged, at this juncture, that the status of an independent member in the person of Vice President beyond the aforementioned status as non-executive, would not provide more guarantees in the efficient operation of the company.

- **Part A.5 5.5: Nomination of Board members.**

There was no committee to nominate members until the time this Statement was drafted for the same reasons as above.

- **Part A.7 7.1 – 7.3: Evaluation of Board of Directors and its Committees.** Until the time this Statement was drafted, the Company had not chosen any specific method to evaluate the effectiveness of the Board of Directors and its Committees.

- **Part C.1 1.6: Level and structure of remuneration.** Until the time this Statement was drafted, there was no Remuneration Committee. The matter will be reviewed shortly.

The Management of the Company has set up a working group for the study and an overview of the required actions within a reasonable time in order to set up the procedures prescribed by the Code of HCGC committees and generally adapt the corporate governance practices of that Code.

The Company does not implement any other corporate governance practices than the special practices of the Corporate Governance Code of HCGC and the provisions of Law 3873/2010.

### Main characteristics of the Internal Control and Risk Management Systems

**in relation to the preparation of the Financial Statements and financial reports.**

**i. Description of main characteristics and details of the Internal Control and Risk Management Systems in relation to the preparation of the consolidated financial statements.**

The Internal Control System of the Company covers the control procedures involving the operation of the Company, its compliance with the requirements of supervisory authorities, risk management and preparation of financial reports.

The Internal Audit Department controls the proper implementation of each procedure and internal control system regardless of their accounting or non-accounting content and evaluates the enterprise by reviewing its activities, acting as a service to the Management.

The Internal Control System aims, among others, to secure the thoroughness and reliability of the data and information required for the accurate and timely determination of the Company's financial situation and the generation of reliable financial statements.

As regards the preparation of financial statements, the Company reports that the financial reporting system of "HALCOR S.A.-METAL PROCESSING" uses an accounting system that is adequate for reporting to Management and external users. The financial statements and other analyses reported to Management on a quarterly basis are prepared on an individual and consolidated basis in compliance with the International Financial Reporting Stan-

dards, as adopted by the European Union for reporting purposes to Management, and also for the purpose of publication in line with the applicable regulations and on a quarterly basis. Both administrative information and financial reports to be published include all the necessary details about an updated internal control system including analyses of sales, cost/expenses and operating profits as well as other data and indexes. All reports to Management include the data of the current period compared to the respective data of the budget, as the latter has been approved by the Board of Directors, and to the data of the respective period of the year before the report.

All published interim and annual financial statements include all necessary information and disclosures about the financial statements, in compliance with the International Financial Reporting Standards, as adopted by the European Union, reviewed by the Audit Committee and respectively approved in their entirety by the Board of Directors.

Controls are implemented with respect to: a) risk identification and evaluation as for the reliability of financial statements; b) administrative planning and monitoring of financial figures; c) fraud prevention and disclosure; d) roles and powers of executives; e) year closing procedure including consolidation (e.g. recorded procedures, access, approvals, agreements, etc.) and f) safeguarding the data provided by information systems.

The internal reports to Management and the reports required under Codi-

fied Law 2190/1920 and by the supervisory authorities are prepared by the Financial Services Division, which is staffed with adequate and experienced executives to this effect. Management takes steps to ensure that these executives are adequately updated about any changes in accounting and tax issues concerning both the Company and the Group.

The Company has established separate procedures as to how to collect the necessary data from the subsidiary companies, and secures the reconciliation of individual transactions and the implementation of the same accounting principles by the aforementioned companies.

### **ii. Annual evaluation of corporate strategy, main business risks and Internal Control Systems.**

The Company's Board of Directors states that it has examined the main business risks facing the Group as well as the Internal Control Systems. On an annual basis, the Board of Directors reviews the corporate strategy, main business risks and Internal Control Systems.

### **iii. Provision of non-audit services to the Company by its legal auditors and evaluation of the effect this fact may have on the objectivity and effectiveness of mandatory audit, taking also into consideration the provisions of Law 3693/2008.**

The statutory auditors of the Company for the fiscal year 2012, i.e. "KPMG Certified Auditors A.E.", who have been elected by the Ordinary General Meeting of the Company's Share-

holders on 29 June 2012, do not provide non-audit services to the Company and its subsidiaries apart from those prescribed under law.

### **Public takeover offers - Information**

- There are no binding takeover bids and/or rules of mandatory assignment and mandatory takeover of the Company's shares or any statutory provision on takeover.
- There are no third-party public offers to take over the Company's share capital during the last and current year.
- In case the Company takes part in such a procedure, this will take place in accordance to applicable laws.

### **General Meeting of the Shareholders and rights of shareholders**

The General Meeting is convened and operates in compliance with the provisions of the Articles of Association and the relevant provisions of Law 2190/1920, as amended and in force today. The Company makes the necessary publications in line with the provisions of Law 3884/2010 and generally takes all steps required for the timely and thorough information of shareholders in regard to the exercise of their rights. The latter is ensured by publishing the invitations to General Meetings and uploading them on the Company's website, the text of which contains a detailed description of shareholders rights and how these can be exercised.

### **Composition and operation of the Board of Directors, the Supervisory Bodies and the Committees of the Company**

### **Roles and responsibilities of the Board of Directors**

The Company's Board of Directors is responsible for the long-term strategy and operational goals of the Company and generally for the control and decision-making within the framework of the provisions of Codified Law 2190/1920 and the Articles of Association, and for compliance with corporate governance principles.

The Board of Directors convenes at the necessary intervals so as to perform its duties effectively.

The role and responsibilities of the Board of Directors are summed up as follows:

- Supervision and monitoring of Company operations as well as control of attainment of business goals and long-term plans;
- Formulation and specification of Company core values and objectives;
- Securing the alignment of the adopted strategy with Company goals.
- The Board of Directors ensures that there are no situations of conflict of interests and examines any incidents or cases of deviation from the confidential information policy;
- Ensuring the reliability and approval of the Company's Financial Statements prior to their final approval by the Ordinary General Meeting;
- Securing the execution of its business activity on a daily basis through a special authorization system, while other affairs falling under its scope of responsibility are implemented under special decisions.
- The secretary of the Board of Directors is appointed for each Board of Directors and his main responsibilities are to support the Chairman and the operation of the Board in general.

The existing Board of Directors of the Company consists of 11 members of whom:

- 5 are executive members (Chairman, Vice-Chairman & 3 Members)
- 4 are non-executive members (Other Members)
- 2 are independent, non-executive members (Other Members)

The current Board of Directors of HALCOR S.A.-METAL PROCESSING consists of the following:

- Theodossios Papageorgopoulos, Chairman, executive member
- Nikolaos Koudounis, Vice Chairman, executive member
- Perikles Sapountzis, executive member
- Eftyhios Kotsambasakis, executive member
- Tassos Kassapoglou, executive member
- Georgios Passas, non-executive member
- Konstantinos Bakouris, non-executive member
- Christos – Alexis Komninos, non-executive member
- Andreas Katsanos, non-executive member
- Andreas Kyriazis, independent non-executive member
- Nikolaos Galetas, independent non-executive member

The current Board was elected, with the initial composition from the Ordinary General Meeting of 14.06.2013, and the current composition came after the replacement of a member in 07.05.2013, which was ratified by the Extraordinary General Meeting of 28.11.2013. Its term of office shall expire on the date of the Ordinary

General Meeting of the year 2014.

The Board of Directors met 93 times during 2013 with all members attended.

### **Audit Committee)**

#### **i. Description of the composition, operation, work, responsibilities and of the issues discussed during Committee meetings**

The Audit Committee, which is elected and operates according to Law 3693/2008 (Article 37), consists of three non-executive members of the Board of Directors, one of which is independent, and his main task, in the context of the obligations described by the above law, is to support the Company's Board of Directors to fulfil its mission to safeguard the effectiveness of accounting and financial systems, audit mechanisms, business risk management systems, assure compliance with the legal and regulatory framework, and effectively implement Corporate Governance principles.

More specifically, the Audit Committee has the following responsibilities:

- To examine the effectiveness of all Management levels in relation to the safeguarding of the resources they manage and their compliance with the Company's established policy and procedures;
- To evaluate the procedures and data in terms of adequacy as for the attainment of objectives and assess the policy and the programme concerning the activity under review;
- To control periodically the various functions of different divisions or departments so as to ensure that their various functions are carried out regularly, comply with Management instructions, Company policy and procedures, and that they abide by Company objectives and standards of management practice;

- To review internal audit reports and specifically:
  - to evaluate the adequacy of their scope;
  - to confirm the accuracy of reports;
  - to examine the adequacy of documentation of the results.

The Audit Committee receives the following reports on audit activity:

- Extraordinary reports
- Quarterly financial audit reports
- Ordinary annual audit reports
- Corporate Governance Reports

The Audit Committee examines and ensures the independence of the Company's external auditors and takes cognisance of their findings and the Audit Reports on the annual or interim financial statements of the Company. At the same time, it recommends corrective actions and procedures so as to deal with any findings or failures in areas of financial reports or other important functions of the Company.

According to its Operation Regulation, the Audit Committee consists of one independent and non-executive member of the Board of Directors and two non-executive members who have the necessary knowledge and experience for the Committee's work.

The existing Audit Committee consists of the following persons:

Members:

- Andreas Kyriazis: independent non-executive member of the Board.
- Georgios Passas: non-executive member of the Board
- Andreas Katsanos: non-Executive member of the Board

#### **ii. Number of Committee meetings and frequency of each member's participation in meetings**

The Audit Committee met 4 times during 2012 having full quorum but was not attended by the statutory auditors as prescribed under the Code.

### iii. Evaluation of effectiveness and

### performance of the Committee

Until the time this Statement was drafted, no special procedures had been established to evaluate the effectiveness of the Board's Committee. Company Management will establish such procedures in the future.

## CURRICULUM VITAE OF THE BOARD MEMBERS

### **Theodosios Papageorgopoulos, Chairman**

#### **(Executive Member)**

Mr. Papageorgopoulos is a graduate of Athens University of Economics and Business. He has been working for VIOHALCO GROUP since 1962 and has served as General Manager in HALCOR SA from 1973 to 2004. Between 2004 and this date is the Chairman of the Board of HALCOR SA.

### **Nikolaos Koudounis, Vice-Chairman**

#### **(Executive Member)**

Mr. Koudounis is a graduate of Athens University of Economics and Business. He has been working for VIOHALCO Group since 1968 and he has been the Financial Manager of ELVAL SA (1983), General Manager of ELVAL SA (2000) and Managing Director of FITCO SA (2004). He already participates as an executive director in the Boards of ELVAL SA, HALCOR SA, DIA.VI.PE.TH.I.V SA (Chairman of BoD), FITCO SA (Chairman of BoD) and other Group companies. He is also the Chairman of the Board of Viotia Association of Industries.

### **Perikles Sapountzis, (Executive Member)**

Mr. Sapountzis is a Chemical Engineer, graduated from the University of Munich and has also a PhD (TUM). He has been working for VIOHALCO Group since 1995 when hired as a sales manager in HELLENIC CABLES SA. From 1997 to 2000 he was Commercial Director of TEPRO METALL AG. In 2000 he became General Manager of ICME ECAB SA and in 2004 took the same position in the parent company HELLENIC CABLES SA. Between 2008 and currently holds the position of General Director and Board Member of HALCOR SA.

### **Tassos Kassapoglou, (Executive Member)**

Graduate Engineer - Electrical Engineer of National Technical University of Athens. He has been working for VIOHALCO Group since 1972. He was Production Manager of HELLENIC CABLES SA. From 1983 until 2006, he served as Technical Director at the tubes plant of HALCOR SA. From middle 2006 until end of 2007 he served as General Manager of SOFIA MED. From 2009 he is Board Member of HALCOR SA.

**Eftyhios Kotsambasakis,  
(Executive Member)**

Mr. Kotsambasakis holds the position of Administrative Director of HALCOR SA. He has been working for VIOHALCO Group since 1965. He serves on the Board of DIA.VI.PE.THIV. SA as a Vice-President and is treasurer of the Federation of Industries of Viotia.

**Andreas Katsanos,  
(Non-executive Member)**

Mr. Katsanos is a graduate of Piraeus University of Economics and Business and has been working for VIOHALCO Group since 1960. He was senior officer in various group companies while from 1978 to 1980 he held the position of General Manager in the company VOIOTIAS CABLES SA. Between 1989 and now is Director of the metals department of VIOHALCO Group. Mr. Katsanos was instrumental in the adoption and implementation in Greece, from the Bank of Greece, the HEDGING process (hedging of metal price volatility), through the London Metal Exchange (LME). He is also on the Board of HELLENIC CABLES SA

**Georgios Passas,  
(Non-executive Member)**

Mr. Passas is a graduate of Athens University of Economics and Business. He joined the Group VIOHALCO since 1969 and has served in senior positions of the Group. From 1973 to 1983 he served as CFO of ELVAL SA, from 1983 to 1987 as Financial Director of HALCOR SA, while from 1987 to 2004 was General Manager of HELLENIC CABLES SA. Mr. Passas is a member of the Board of Directors in several companies of VIOHALCO Group.

**Konstantinos Bakouris,  
(Non-executive Member)**

Mr. Konstantinos Bakouris is member on the Boards of ELVAL and HALCOR. Mr. Bakouris has been the Chairman of Corinth Pipeworks since 2005. He started his career in 1968 in ESSO PAPPAS. Two years later he became Financial Manager of UNION CARBIDE in Athens and six years later he became Managing Director. In 1985 he took over the responsibility for the company's consumer products as Europe Vice-chairman. In 1986 he was elected Chairman of RALSTON PURINA for Europe. In 1998 he returned to Greece as Managing Director of the Olympic Games Organizational Committee "Athens 2004". From 2001 to 2002 he was the Chairman of the Hellenic Centre for Investment (EKE). From 2004 to 2008 he also served as Chairman of NET MED N.V., the parent company of NOVA subscribers' television. He is Chairman of International Transparency Hellas and Chairman of the Greek-Russian Business Council. He has a MBA from DE PAUL University in Chicago.

**Christos - Alexis Komninos,  
(Non-executive Member)**

Mr. Christos Komninos was born in Istanbul in 1943.

In 1971 he graduated from Istanbul Technical University (I.T.U.) with a degree in Chemical Engineering (MSc).

In 1972 he moved to Greece and joined the COCA-COLA 3E, which held various positions until 1987. From 1987 to 1990 he served as CEO of the Company «Coca-Cola Bottlers Ireland» (a subsidiary of COCA COLA 3E). In 1990 he returned to Greece and in 1995 was appointed as Chief Executive Officer, a position he held

until 2000. From 2000 to 2004 he served as president and CEO of PAPASTRATOS SA. After the acquisition of PAPASTRATOS SA by PHILIP MORRIS SA, he participated as a volunteer in the Olympic Games Organizing Committee "Athens 2004" as Head of the Opening and Closing Ceremonies of the 28th Olympiad. From 2005 to 2010 he held the position of Executive Vice President of the Company SHELMAN SA and ELMAR SA.

He speaks English, French, Italian and Turkish.

**Andreas Kyriazis, (Independent non-executive member)**

Mr. Kyriazis is a graduate of the Chemistry Department of Physics and Mathematics School of Athens University. He has served as Chairman of the Central Union of Greek Chambers, the Union of Balkan Chambers, the Chamber of Commerce and Industry of Athens, the Hellenic Productivity Centre, the Hellenic Society of Business Administration, and the Association of Timber Industry. He has also served as Vice-chairman of the Union of the European Chamber of Commerce and Industry and General Secretary of the Union of Greek Chemists.

**Nikolaos Galetas, (Independent non-executive member)**

Mr. Galetas is a graduate of the Theological School of Athens University with additional studies at Technische Hochschule Wien while he is also a graduate engineer of the School of Electrical Engineering of the National Technical University of Athens. During his long career, Mr. Galetas took over managerial positions in ETBA (Greek Bank for Industrial Development) in CPC (Planning and Development Company) and in the National Investment (National Bank for Industrial Development) where he served as General Manager. He has also served as Senior Advisor to the National Investment and EFG EUROBANK PROPERTIES SA, and was a board member to numerous companies including EFG EUROBANK PROPERTIES AEAAP and ERT (vice president), and various subsidiaries of National Investment Group which was appointed as Chairman of the Board during the years of his career to this organization. In addition in 1990-92 offered advice to the Ministers of Interior, Agriculture and Co-ordination. Mr. Galetas is also member of the Board of Directors in several companies of VIOHALCO Group.

**The Chairman of the Board  
of HALCOR SA**

**Theodoros Papageorgopoulos**



I. Statement of Financial Position		(Amounts in Euro)			
	GROUP		COMPANY		
	2013	2012	2013	2012	
<b>ASSETS</b>					
<b>Non current assets</b>					
Property, plant and equipment	389,099,020	359,491,380	92,236,488	96,289,629	
Intangible assets	14,455,753	11,745,850	277,324	139,649	
Investment property	383,271	383,271	-	-	
Investments in subsidiaries	-	-	174,900,421	145,874,319	
Investments in affiliates	6,557,951	6,658,870	4,264,104	4,264,104	
Other investments	4,115,478	4,652,804	3,615,618	4,197,544	
Other receivables	1,848,669	1,984,834	811,799	842,186	
Deferred tax claims	6,265,433	6,479,388	-	-	
	<u>422,725,575</u>	<u>391,396,397</u>	<u>276,105,754</u>	<u>251,607,430</u>	
<b>Current assets</b>					
Inventories	208,236,149	229,064,818	54,243,721	56,896,133	
Trade and other receivables	131,229,590	133,575,452	66,385,792	78,814,950	
Derivatives	776,621	1,811,910	80,441	1,054,377	
Cash and cash equivalents	49,125,244	27,859,388	3,052,697	5,924,534	
	<u>389,367,602</u>	<u>392,311,568</u>	<u>123,762,650</u>	<u>142,689,993</u>	
<b>Total assets</b>	<u>812,093,177</u>	<u>783,707,965</u>	<u>399,868,405</u>	<u>394,297,423</u>	
<b>EQUITY</b>					
<b>Equity attributable to Shareholders of the Company</b>					
Share capital	38,486,258	38,486,258	38,486,258	38,486,258	
Share premium account	67,138,064	67,138,064	67,138,064	67,138,064	
Reserves	69,704,412	70,214,331	68,976,644	69,129,805	
Losses carried forward	(123,831,007)	(66,797,115)	(79,832,051)	(51,597,440)	
<b>Total</b>	<u>51,497,727</u>	<u>109,041,538</u>	<u>94,768,916</u>	<u>123,156,688</u>	
Minority interests	24,743,739	30,521,231	-	-	
<b>Total equity</b>	<u>76,241,466</u>	<u>139,562,769</u>	<u>94,768,916</u>	<u>123,156,688</u>	
<b>LIABILITIES</b>					
<b>Long-term liabilities</b>					
Loans	404,630,796	157,547,406	178,929,499	91,889,173	
Deferred income tax liabilities	26,296,962	16,940,246	15,377,955	7,356,500	
Personell retirement benefits payable	4,218,081	5,383,255	1,454,591	1,860,563	
Government Grants	7,939,339	5,950,461	1,591,529	1,702,632	
Long-term maturity bills payable	10,681,508	-	-	-	
Provisions	522,087	562,092	90,000	90,000	
	<u>454,288,774</u>	<u>186,383,460</u>	<u>197,443,575</u>	<u>102,898,867</u>	
<b>Short-term liabilities</b>					
Suppliers and other liabilities	107,183,716	90,157,991	30,774,194	29,591,845	
Current tax liabilities	6,335,676	8,021,021	578,437	808,161	
Loans	167,389,305	358,151,521	76,091,219	136,895,064	
Financial Leasing liabilities	166,641	321,975	-	-	
Derivatives	487,600	1,109,228	212,064	946,797	
	<u>281,562,938</u>	<u>457,761,736</u>	<u>107,655,914</u>	<u>168,241,868</u>	
<b>Total liabilities</b>	<u>735,851,711</u>	<u>644,145,196</u>	<u>305,099,489</u>	<u>271,140,735</u>	
<b>Total equity and liabilities</b>	<u>812,093,177</u>	<u>783,707,965</u>	<u>399,868,405</u>	<u>394,297,423</u>	

II. Statement of Income		(Amounts in Euro)			
	GROUP		COMPANY		
	2013	2012	2013	2012	
<b>Sales</b>	<b>1,102,022,217</b>	<b>1,259,305,775</b>	<b>446,045,352</b>	<b>545,522,376</b>	
Cost of goods sold	<u>(1,085,480,826)</u>	<u>(1,214,909,423)</u>	<u>(436,479,773)</u>	<u>(527,269,990)</u>	
<b>Gross profit</b>	<b>16,541,391</b>	<b>44,396,351</b>	<b>9,565,579</b>	<b>18,252,386</b>	
Other operating income	18,284,497	12,308,827	3,289,971	5,275,105	
Selling expenses	(15,139,673)	(14,663,840)	(4,518,340)	(5,637,672)	
Administrative expenses	(20,140,433)	(22,524,983)	(9,591,140)	(9,606,468)	
Other operating expenses	<u>(15,099,682)</u>	<u>(10,888,105)</u>	<u>(1,992,674)</u>	<u>(2,403,866)</u>	
<b>Operating results</b>	<b>(15,553,900)</b>	<b>8,628,250</b>	<b>(3,246,604)</b>	<b>5,879,485</b>	
Finance income	173,632	307,176	28,486	40,526	
Finance expenses	(38,326,132)	(40,220,337)	(17,166,511)	(16,271,028)	
Dividends	-	-	75,200	217,282	
<b>Financial result - net</b>	<b>(38,152,500)</b>	<b>(39,913,161)</b>	<b>(17,062,825)</b>	<b>(16,013,220)</b>	
Share of profit of associates	69,667	168,169	-	-	
<b>Losses before income tax</b>	<b>(53,636,733)</b>	<b>(31,116,742)</b>	<b>(20,309,429)</b>	<b>(10,133,735)</b>	
Income tax expenses	<u>(10,032,216)</u>	<u>1,609,613</u>	<u>(8,177,595)</u>	<u>(889,830)</u>	
<b>Net losses</b>	<b>(63,668,948)</b>	<b>(29,507,129)</b>	<b>(28,487,024)</b>	<b>(11,023,564)</b>	
<b>Earnings / (Losses) per share (Euro per share)</b>					
Basic and diluted profit / (loss) per share	<u>(0.5725)</u>	<u>(0.2569)</u>	<u>(0.2813)</u>	<u>(0.1088)</u>	

III. Statement of Comprehensive Income		(Amounts in Euro)			
	GROUP		COMPANY		
	2013	2012	2013	2012	
<b>Profit / (Loss) of the year from continuing operations</b>	<b>(63,668,948)</b>	<b>(29,507,129)</b>	<b>(28,487,024)</b>	<b>(11,023,564)</b>	
<b>Items that will never be reclassified to profit or loss</b>					
Remeasurements of defined benefit liability (asset)	1,079,743	(884,430)	341,099	(260,537)	
Related tax	<u>(280,733)</u>	<u>176,886</u>	<u>(88,686)</u>	<u>52,107</u>	
	<b>799,010</b>	<b>(707,544)</b>	<b>252,413</b>	<b>(208,430)</b>	
<b>Items that are or may be reclassified to profit or loss</b>					
Foreign currency translation differences	(139,231)	(880,615)	-	-	
Gain / (Loss) of changes in fair value of cash flow hedging	(253,349)	(567,324)	(204,975)	(418,379)	
Income tax on income and expense recognised directly in equity	<u>65,871</u>	<u>110,482</u>	<u>51,814</u>	<u>79,848</u>	
	<b>(326,709)</b>	<b>(1,337,457)</b>	<b>(153,161)</b>	<b>(338,531)</b>	
<b>Other comprehensive income / (expense) after tax</b>	<b>(63,196,647)</b>	<b>(31,552,130)</b>	<b>(28,387,772)</b>	<b>(11,570,524)</b>	
<b>Attributable to:</b>					
Equity holders of the parent company	(57,442,895)	(27,555,894)	(28,387,772)	(11,570,525)	
Minority interests	<u>(5,753,753)</u>	<u>(3,996,236)</u>	-	-	
<b>Total comprehensive income / (expense) after tax</b>	<b>(63,196,647)</b>	<b>(31,552,130)</b>	<b>(28,387,772)</b>	<b>(11,570,525)</b>	

**IV. Statement of Changes in Equity**

(Amounts in Euro)

	Share capital	Share premium reserves	Fair value reserves	Other reserves	Results carried forward	Foreign exchange differences	Total	Minority interest	Total Equity
<b>GROUP</b>									
Balance as of January 1, 2012	38,486,258	67,138,064	2,126,093	75,043,777	(40,602,832)	(5,965,598)	136,225,762	33,933,030	170,158,792
Adjustment due to change of IAS 19	-	-	-	-	465,262	-	465,262	138,610	603,872
<b>Restated balance as of January 1, 2012</b>	<b>38,486,258</b>	<b>67,138,064</b>	<b>2,126,093</b>	<b>75,043,777</b>	<b>(40,137,571)</b>	<b>(5,965,598)</b>	<b>136,691,024</b>	<b>34,071,640</b>	<b>170,762,663</b>
Net loss for the period	-	-	-	-	(26,022,546)	-	(26,022,546)	(3,484,583)	(29,507,129)
Other comprehensive income	-	-	(474,059)	-	(542,987)	(516,302)	(1,533,348)	(511,653)	(2,045,001)
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>(474,059)</b>	<b>-</b>	<b>(26,565,533)</b>	<b>(516,302)</b>	<b>(27,555,894)</b>	<b>(3,996,236)</b>	<b>(31,552,130)</b>
<b>Transactions with owners of the Company</b>									
Dividend	-	-	-	-	-	-	-	(360,230)	(360,230)
Transfer of reserves	-	-	-	420	(629)	-	(209)	209	-
Total contributions by and distributions to owners of the company	-	-	-	420	(629)	-	(209)	(360,021)	(360,230)
<b>Changes in ownership interests in subsidiaries</b>									
Increase / (decrease) of participation in subsidiaries	-	-	-	-	(93,382)	-	(93,382)	805,848	712,466
Total transactions with owners of the Company	-	-	-	-	(93,382)	-	(93,382)	805,848	712,466
<b>Balance as of December 31, 2012</b>	<b>38,486,258</b>	<b>67,138,064</b>	<b>1,652,034</b>	<b>75,044,197</b>	<b>(66,797,115)</b>	<b>(6,481,900)</b>	<b>109,041,538</b>	<b>30,521,231</b>	<b>139,562,769</b>
<b>Balance as of January 1, 2013</b>	<b>38,486,258</b>	<b>67,138,064</b>	<b>1,652,034</b>	<b>75,044,197</b>	<b>(66,797,115)</b>	<b>(6,481,900)</b>	<b>109,041,538</b>	<b>30,521,231</b>	<b>139,562,769</b>
Net loss for the period	-	-	-	-	(57,979,469)	-	(57,979,469)	(5,689,479)	(63,668,948)
Other comprehensive income	-	-	(245,785)	(32)	1,151,623	(369,231)	536,575	(64,274)	472,301
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>(245,785)</b>	<b>(32)</b>	<b>(56,827,847)</b>	<b>(369,231)</b>	<b>(57,442,895)</b>	<b>(5,753,753)</b>	<b>(63,196,647)</b>
<b>Transactions with owners of the Company</b>									
Dividend	-	-	-	-	-	-	-	(124,656)	(124,656)
Transfer of reserves	-	-	-	105,129	(206,045)	-	(100,916)	100,916	-
Total contributions by and distributions to owners of the company	-	-	-	105,129	(206,045)	-	(100,916)	(23,740)	(124,656)
<b>Balance as of December 31, 2013</b>	<b>38,486,258</b>	<b>67,138,064</b>	<b>1,406,248</b>	<b>75,149,294</b>	<b>(123,831,007)</b>	<b>(6,851,131)</b>	<b>51,497,727</b>	<b>24,743,739</b>	<b>76,241,466</b>
<b>COMPANY</b>									
Balance as of January 1, 2012	38,486,258	67,138,064	405,454	69,062,881	(40,595,287)	-	134,497,371	-	134,497,371
Adjustment due to change of IAS 19	-	-	-	-	229,842	-	229,842	-	229,842
<b>Restated balance as of January 1, 2012</b>	<b>38,486,258</b>	<b>67,138,064</b>	<b>405,454</b>	<b>69,062,881</b>	<b>(40,365,446)</b>	<b>-</b>	<b>134,727,213</b>	<b>-</b>	<b>134,727,213</b>
Net loss for the period	-	-	-	-	(11,023,564)	-	(11,023,564)	-	(11,023,564)
Other comprehensive income	-	-	(338,531)	-	(208,430)	-	(546,960)	-	(546,960)
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>(338,531)</b>	<b>-</b>	<b>(11,231,994)</b>	<b>-</b>	<b>(11,570,525)</b>	<b>-</b>	<b>(11,570,525)</b>
<b>Balance as of December 31, 2012</b>	<b>38,486,258</b>	<b>67,138,064</b>	<b>66,924</b>	<b>69,062,881</b>	<b>(51,597,440)</b>	<b>-</b>	<b>123,156,688</b>	<b>-</b>	<b>123,156,688</b>
<b>Balance as of January 1, 2013</b>	<b>38,486,258</b>	<b>67,138,064</b>	<b>66,924</b>	<b>69,062,881</b>	<b>(51,597,440)</b>	<b>-</b>	<b>123,156,688</b>	<b>-</b>	<b>123,156,688</b>
Net loss for the period	-	-	-	-	(28,487,024)	-	(28,487,024)	-	(28,487,024)
Other comprehensive income	-	-	(153,161)	-	252,413	-	99,252	-	99,252
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>(153,161)</b>	<b>-</b>	<b>(28,234,611)</b>	<b>-</b>	<b>(28,387,772)</b>	<b>-</b>	<b>(28,387,772)</b>
<b>Balance as of December 31, 2013</b>	<b>38,486,258</b>	<b>67,138,064</b>	<b>(86,238)</b>	<b>69,062,881</b>	<b>(79,832,051)</b>	<b>-</b>	<b>94,768,916</b>	<b>-</b>	<b>94,768,916</b>

V. Statement of Cash Flows		(Amounts in Euro)			
	GROUP		COMPANY		
	2013	2012	2013	2012	
<b>Cash flows from operating activities</b>					
Profit / (loss) before taxes	(53,636,733)	(31,116,742)	(20,309,429)	(10,133,735)	
Adjustments for:					
Depreciation of tangible assets	21,775,070	26,143,944	5,376,503	7,602,099	
Depreciation of intangible assets	924,180	564,580	110,846	111,345	
Depreciation of grants	(441,990)	(1,136,281)	(111,102)	(222,552)	
Provisions	1,692,345	585,323	922,036	275,731	
Investing activities result (income, expenses, profits and losses)	(243,299)	(475,345)	(103,686)	(257,807)	
Interest charges & related expenses	38,326,132	40,220,337	16,171,211	16,271,028	
(Profit) / loss from sale of tangible assets	(1,383,972)	(136,963)	(5,936)	(56,361)	
(Profit) / loss from sale of investments	(613,599)	(1,583,953)	(613,599)	(1,583,953)	
(Profit) / loss from the fair value of derivatives	284,634	(593,595)	34,228	18,225	
Loss from the destruction of fixed assets	284,508	179,756	-	-	
Impairment of participations	-	-	995,300	-	
Decrease / (increase) in inventories	20,377,084	5,675,472	1,942,244	10,798,368	
Decrease / (increase) in receivables	2,192,212	23,782,478	11,982,228	7,240,952	
(Decrease) / Increase in liabilities (minus banks)	26,131,357	(6,510,956)	1,212,904	(15,982,072)	
Interest charges & related expenses paid	(39,576,551)	(40,017,599)	(16,418,811)	(16,873,900)	
Income tax paid	(290,258)	(712,731)	-	-	
<b>Net Cash flows from operating activities</b>	<b>15,801,120</b>	<b>14,867,722</b>	<b>1,184,935</b>	<b>(2,792,634)</b>	
<b>Cash flows from investing activities</b>					
Purchase of tangible assets	(57,652,647)	(23,754,457)	(1,325,238)	(2,379,931)	
Purchase of intangible assets	(3,636,914)	(1,030,033)	(248,521)	(84,956)	
Sales of tangible assets	7,272,081	515,582	7,812	309,387	
Sales of investment properties	1,200,725	1,585,072	1,200,725	1,585,072	
Dividends received	-	-	75,200	217,281	
Increase of participation in subsidiaries	173,632	307,176	28,486	40,526	
Increase of participation in other investment properties	-	-	(30,021,402)	(705,741)	
	(5,200)	-	(5,200)	-	
<b>Net Cash flows from investing activities</b>	<b>(52,648,323)</b>	<b>(22,376,659)</b>	<b>(30,288,138)</b>	<b>(1,018,361)</b>	
<b>Cash flows from financing activities</b>					
Dividends paid to shareholders of the parent	(9,466)	(2,495)	(5,115)	(2,411)	
Loans received	330,579,704	70,443,831	180,550,000	33,000,000	
Loans settlement	(274,091,889)	(74,798,618)	(154,313,518)	(37,621,931)	
Changes in financial leases	(321,975)	(625,340)	-	-	
Dividends paid to minority interest	(143,315)	(352,083)	-	-	
Grand proceeds	2,100,000	3,495,249	-	-	
<b>Net cash flows from financing activities</b>	<b>58,113,059</b>	<b>(1,839,456)</b>	<b>26,231,367</b>	<b>(4,624,342)</b>	
<b>Net (decrease)/ increase in cash and cash equivalents</b>	<b>21,265,856</b>	<b>(9,348,392)</b>	<b>(2,871,836)</b>	<b>(8,435,337)</b>	
Cash and cash equivalents at the beginning of period	27,859,388	37,207,780	5,924,534	14,359,870	
<b>Cash and cash equivalents at the end of period</b>	<b>49,125,244</b>	<b>27,859,388</b>	<b>3,052,697</b>	<b>5,924,534</b>	

**INDEPENDENT AUDITOR'S REPORT  
TO THE SHAREHOLDERS OF  
HALCOR METAL WORKS S.A.**

**Report on the Financial Statements**

We have audited the accompanying stand-alone and consolidated financial statements of HALCOR METAL WORKS S.A. (the "Company") which comprise the stand-alone and consolidated statement of financial position as of 31 December 2013 and the stand-alone and consolidated statements of income and comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these stand-alone and consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these stand-alone and consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on

Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the stand-alone and consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of stand-alone and consolidated the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the stand-alone and consolidated financial statements give a true and fair view of the financial position of HALCOR METAL WORKS S.A. as of 31 December 2013 and of its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union.

**KPMG Certified Auditors AE**  
**3 Stratigou Tombra Street**  
**153 42 Aghia Paraskevi**  
**Greece**  
**AM SOEL 114**

**Report on Other Legal and Regulatory Requirements**

- (a) The Board of Directors' Report includes a corporate governance statement, which provides the information set by paragraph 3d of article 43a of C.L. 2190/1920.
- (b) We verified that the contents of the Board of Directors' Report are consistent and correspond with the accompanying stand-alone and consolidated financial statements within the scope set by articles 37, 43a and 108 of C.L. 2190/1920.

**Athens, 27 March 2014**  
**Nick Vouniseas,**  
**Certified Auditor Accountant**  
**AM SOEL**  
**18701**



**CONTACTS**

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